MONDAY SPORTS
COLLEGE BASKETBALL
Page 13

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Is Kaifu Able to Deliver? U.S. Wonders

By Hobart Rowen
Washington Post Service

NEWS ANALYSIS

PALM SPRINGS, California — Prime Minister Toshiki Kaifu's commitment at his summit meeting here with President George Bush to "work harder" to meet American complaints on trade issues has lifted U.S. hopes for moving troubled U.S.-Japanese relations onto a friendlier track.

Mr. Kaifu also made an explicit promise "to firmly tackle structural reforms of Japan as one of the top priorities of my new cabinet, with a view to improving the quality of Japanese life with further stress on the consumer-oriented economy."

But at the end of the two-day session, American officials were still unsure, despite Mr. Bush's gentle arm-twisting, that Mr. Kaifu would be able to deliver on his promises to "make maximum efforts" to deal with the trade imbalances. The Japanese leader is beset with political problems at home.

Still, the leaders' unusually candid statements put the U.S.-Japan economic problem in a realistic context. Mr. Bush and Mr. Kaifu eschewed the shrill tones that had recently marked the debate.

A high Bush administration official summed it up: "What you are going to see over the next two years is a race to see whether the changes they can make and we can make can produce results fast enough to prevent an onslaught from the advocates of managed trade."

Advocates of "managed," or "results-oriented," trade would require Japan to meet specific trade-surplus reduction targets or suffer retaliation through bans on its exports to the United States. Mr. Kaifu faces massive obstacles, not only in changing ingrained Japanese cultural habits that discourage imports, but in dealing with the erosion of his party's power, despite its recent lower-house victory.

In a joint appearance Saturday, the leaders were eager to demonstrate that the U.S.-Japanese relationship extended far beyond trade issues. They emphasized the continuity of joint military security arrangements, as well as a newly flourishing "global partnership" to guide world affairs.

In exchange for helping reduce the American trade deficit, Mr. Bush afforded Japan the opportunity to participate in a "political trialogue" with the United States and Europe to promote global peace and development.

But it is far from clear, according to Japanese sources, that Mr. Kaifu will succeed in buckling the special business interests that underwrote his Liberal Democratic Party victory last month. These interests generally resist change.

Another factor working against Mr. Kaifu is the certainty that the opposition Socialist Party will control the upper house of the Diet at least for the next few years.

American officials acknowledged, at the same time, that the U.S. government would not find it easy to deliver on its end of the bargain: further reduction of the budget deficit, as well as changes at home in industry and in the educational system that will make the United States more competitive.

"Let's face it," Mr. Bush said, "these talks are a two-way street."

He added: "So our task is to make the American economy even stronger and even more competitive, and that is a task for America, not for Japan."

Success, from the American viewpoint, would be measured in a reduction of the highly visible Japanese trade surplus with the United States, which was $49 billion in 1989, just below recent peaks that officials label "unsustainable."

In his carefully organized clos-

See KAIFU, Page 6

Bank of Japan: Hobbled World Player

By Patrick L. Smith
International Herald Tribune

TOKYO — The current turmoil in financial markets here has underscored how little Tokyo has adjusted to the larger role expected of it in global financial and economic affairs by exposing the political objectives of Japanese monetary policy and the Bank of Japan's inability to act independently.

The Bank of Japan, which fears inflation and imbalances between Japanese interest rates and those of other industrial nations, has long stressed the need for higher domestic rates. But it has only succeeded in demonstrating that it lacks the power and autonomy to counter opposition from the Finance Ministry and other quarters of government.

A rise in official interest rates is now anticipated as early as this week. But damaging delays and open bickering among government officials have cost the central bank much of its credibility among both investors and the monetary authorities of other advanced nations.

The immediate result has been to unleash powerful speculative forces in stock and currency markets, where the central bank is seen to have lost control of monetary policy because of Japan's political and economic uncertainties. This view has helped force down stock prices more than 10 percent this year and pushed the dollar-yen exchange rate above 150.

Beyond this, the West German Bundesbank and other central banks now appear less willing to heed Tokyo's pleas for coordinated interest-rate policies because the Bank of Japan is seen to be enmeshed in domestic political maneuvering that ultimately serves the interests of the governing Liberal Democratic Party.

At issue are policy-setting practices that give the Bank of Japan one voice in seven in such crucial matters as money supply and interest rates.

The system has served well in the postwar reconstruction period, but it is highly inappropriate as Japan assumes greater global influence in a era of deregulation and open markets.

"This is more evidence that while Japan's economic development has obviously been rapid, its political evolution has been very laggard," said David S. Pike, chief economist at UBS/Phillips & Drew International Ltd. "Institutional arrangements are still very much those of a developing country."

Like the Bundesbank, the Bank of Japan has long harbored deep fears of inflation and sought to preempt it by raising rates early in any inflationary cycle. Unlike the West German central bank, however, Japanese monetary authorities are answerable to a variety of domestic interests, from which a consensus must be drawn before the bank's governor can act.

For the bank to raise its official discount rate, for instance, it must have the support of a policy board that includes officials from the Bank of Japan, the Finance Ministry and the Economic Planning Agency, as well as representatives of city and rural banks, industry, and agriculture.

While central banks among the industrial democracies enjoy varying degrees of inde-

See BANK, Page 9

Vitali Arzumanif/Agence France-Presse

Alexander N. Yakovlev, a member of the Communist Party Central Committee and an ally of President Mikhail S. Gorbachev's, emerging on Sunday from a voting booth in Moscow.

Rightists Push Kohl On Border

Regain Territory From Poland or Resign, They Say

Compiled by Our Staff From Dispatches

BONN — West German rightists challenged Chancellor Helmut Kohl on Sunday to regain land ceded to Poland after World War II or resign.

On the other side of the issue, the liberal partners in Mr. Kohl's coalition denounced his demand that Warsaw renounce any claims for war reparations in exchange for a treaty guaranteeing the Polish-German border.

Herbert Czaja, the leader of an influential pressure group of Germans expelled from their East European homelands after World War II, said his group would rather give up the coalition "than a part of the German homeland."

"If the government falls apart over the border issue, we will have to have early elections," he said.

Mr. Czaja is a member of parliament of the Christian Democrats, Mr. Kohl's party. His League of Expellees and its demands loom as a possible threat to the chancellor's hopes for re-election in December.

Mr. Kohl, walking a tightrope between pleasing the right and calming Poland, satisfied neither on Friday when he linked border guarantees to the reparations issue and rights for the German minority in Poland.

Mr. Kohl's handling of the issue is now threatening to undermine his coalition with the Free Democratic Party.

In what was seen as thinly veiled criticism of Mr. Kohl's remarks, Foreign Minister Hans-Dietrich Genscher, a Free Democrat, said Sunday that a failure to issue firm statements about the border between Poland and what is now East Germany could endanger German reunification.

Other members of the Free Democratic Party angrily criticized Mr. Kohl's statements.

"We will not allow the radical right-wing Republicans to call the tune in Bonn," the Free Democrats' foreign policy spokesman, Hildegard Hamm-Brücher, was quoted as saying in Bild am Sonntag.

Mr. Genscher, who like most West German politicians accepts the loss of territories to Poland as a price Germany paid for starting the war, made clear his opposition to the revival of the reparations issue on a television program.

"We must consider very carefully if it really is in the German interest for us to put the question of reparations on the agenda," he said. "We should not doubt the democratic Polish government's *faithfulness to its treaties.*"

Poland pledged in 1953 that it would renounce any claims against

See GERMANY, Page 6

'Referendum on Perestroika'

A Million Local Seats Are at Stake in 3 Soviet Republics

By Bill Keller
New York Times Service

MOSCOW — Voters in the Slavic heartland of the Soviet Union went to the polls Sunday in an exercise of limited democracy that pitted an array of grass-roots challengers against the vast Communist Party patronage network.

Pro-democracy groups said Sunday night that based on early, sketchy returns, they were hopeful of ousting the Communist rulers of Moscow, Leningrad and other cities, and of creating bastions of political and economic freedom.

More than a million seats in local and republican assemblies were at stake in Russia, the Ukraine and Byelorussia, three republics that account for most of the Soviet land mass and 70 percent of its population.

"I think it is a battle," President Mikhail S. Gorbachev said after voting Sunday in the Lenin Hills area of Moscow, "but I am convinced that *perestroika* will win." He was referring to his program of restructuring.

"Our elections involve a new *type of people*," he added, "people who have been given new impetus from perestroika. The essence of it is that it is a people's referendum on perestroika."

It was the first time the principle of competitive elections was extended to the local councils, which are being handed extensive powers to implement — or thwart — the greater political and economic liberties approved in Moscow.

Official returns were not expected before Monday, and the outcome will not be clear until runoffs in two weeks, but opposition groups said results from the first precincts confirmed their optimism.

Boris N. Yeltsin, already an opposition leader in the Soviet legisla-

See SOVIET, Page 6

The Associated Press

Deputy Prime Minister David Levi, left, President Chaim Herzog, center, and Prime Minister Yitzhak Shamir attending a war memorial ceremony on Sunday in Jerusalem. Mr. Levi is among cabinet ministers opposed to the U.S. plan for talks with Palestinians.

Likud Rejects Quick Action on Talks

Reuters

JERUSALEM — Prime Minister Yitzhak Shamir and cabinet ministers from his Likud party rebelled Sunday against a U.S. call for a quick decision on opening talks with the Palestinians.

"We are discussing now these proposals and these plans concerning our peace process," Mr. Shamir said. "And after we end all these discussions, we will take a decision."

"It is hard to say if it will be this week or later," he added. "These are very important, serious matters and it's impossible to decide on them under time pressure."

Mr. Shamir's comments, which followed intensive talks Saturday and Sunday on the U.S. proposal, appeared to undermine earlier reports that he was ready to approve Israeli-Palestinian talks in Cairo on implementing his initiative for elections in the occupied territories.

Leaders of the Labor Party, Likud's partner in the governing coalition, were split on whether to extend a Wednesday deadline they had set for a decision. The United States has also urged an early response to the call for talks.

Deputy Prime Minister Shimon Peres, the Labor Party leader, insisted that the government decide on its response to the U.S. proposals by Wednesday. But Defense Minister Yitzhak Rabin said the decision could wait until early next week.

In remarks bound to further strain relations with the United States on another contentious issue, Mr. Shamir said the government would direct Soviet Jewish immigrants to Jerusalem, including Arab East Jerusalem. The United States opposes such a policy.

Meanwhile, he reiterated his opposition to any proposal that deviated from Israel's elections plan.

See ISRAEL, Page 6

Indonesian Boom Stirs Ethnic Rivalries

By Michael Richardson
International Herald Tribune

JAKARTA — Rapid expansion of big business in Indonesia, which critics blame for widening the gap between rich and poor in the world's fifth-largest nation, is fueling resentment against the government of President Suharto and the country's influential Chinese minority.

As the country prepares for major economic and political challenges over the next few years, Indonesian business executives, foreign diplomats and bankers say that there is growing pressure on the government to restrict private-sector conglomerates that have helped generate vital employment, exports and growth.

In recent interviews, these sources said that about two dozen business empires controlled at least 20 percent of the Indonesian economy. Nearly all of these empires are owned by Indonesian Chinese and a handful of indigenous tycoons with political connections.

They said that the conglomerates gained a head start through special privileges granted by the government. As a result, they were in a strong position to take advantage of measures put into effect since 1988 to liberalize banking and the stock market.

Abdurrahman Wahid, head of the executive board of Nahdlatul Ulama, the largest Muslim social and religious organization in Indonesia, said there was growing grass-roots resentment of domination by Chinese and other conglomerates.

"If we do nothing to rectify this tension now," he warned, "a racial eruption may occur in future."

Diplomats and Indonesian journalists said there had been a number of small-scale anti-Chinese clashes in various parts of the main island of Java since December.

"The country is in a boom period," an Indonesian editor said, adding that there was a lurking "sense of unease" about how wealth is created and shared.

There are about four million Chinese in the population of 180 million. More than 80 percent of Indonesians profess adherence to Islam.

Citing poverty as the most serious problem facing the country, Ahmad Azhar Basyir, head of the legal council of Muhammadiyah, another large Muslim social and educational group, said: "A small number of people forming conglomerates have become richer and richer while a big majority have become poorer and poorer."

Although Indonesia has progressively deregulated its economy in recent years to attract investment for employment and exports, a Western diplomat said, "The notion of egalitarian socialism is still quite deeply ingrained."

Christianto Wibisono, director of the Indonesian Business Data Center, a private consulting firm, said that the government should enact a fair trading law to control the operations of conglomerates and protect small and medium enterprises, many of which are run by indigenous Indonesians.

Sotion Ardjanggi, general chairman of the Indonesian Chamber of Commerce and Industry, said that such laws were needed to prevent big business from "destroying fair competition which is required to encourage business efficiency."

In a recent speech, Mr. Suharto, a retired army general who has been president since 1967, acknowledged that despite improvements in living standards for many Indonesians over the past two decades, 30 million people still lived in poverty.

But he said expansion of large businesses "should not be restrained, because we can capitalize on them to stimulate further the pace of economic growth and broaden the scope of development."

Johannes B. Sumarlin, the finance minister, said that conglomerates should be prevented from engaging in unfair business practices, but that Indonesia needed their efficiency and strength to penetrate export markets.

Mr. Wahid, of Nahdlatul Ulama, said he supported measures to make the Indonesian economy more efficient and competitive.

"But my concern," he said, "is that President

See JAKARTA, Page 6

Kiosk

Contras Begin To Demobilize

TEGUCIGALPA, Honduras (AP) — The Nicaraguan rebels announced Sunday that they had "begun to take the necessary steps to demobilize" following the electoral defeat of the Sandinista government.

Earlier articles, Page 3.

MONDAY Q&A

WP

Daniel J. Boorstin, a former librarian of Congress, finds 'something uncanny' about words. Page 2.

Crossword Page 6.
Weather Page 2.

Can Math Predict a Wine? An Economist Takes a Swipe at Some Noses

By Peter Passell
New York Times Service

NEW YORK — Calculate the winter rain and the harvest rain, in millimeters. Add summer heat in the vineyard, in degrees centigrade. Subtract 12.145. And what do you have? A very, very passionate argument over wine.

Orley Ashenfelter, an economist at Princeton University, has devised a mathematical formula for predicting the quality of red wine vintages in France. And the guardians of tradition are fuming.

Robert M. Parker Jr., regarded as one of the most influential wine critics in America, calls Mr. Ashenfelter's research "ludicrous and absurd."

William Sokolin, a New York wine merchant, said the Bordeaux wine industry's view of the work ranges "somewhere between violent and hysterical."

Those reactions are not surprising. No formula could capture the variations in estate-bottled wines of the same vintage.

But if widely accepted, Mr. Ashenfelter's approach to judging the quality of the red wines of Bordeaux and Burgundy long before they are drinkable could turn the world of wine rating on its ear.

Even if it does not, those who care more about drinking wine than talking about it could use what seem to be accurate forecasts to gain an edge at the expense of wine brokers and dealers.

For the moment, however, Mr. Ashenfelter is too distracted to ponder the implications of removing the human element and the romance from vintage rating. That is because his calculations suggest that the 1989 Bordeaux wines will be the greatest of the century.

Most wines are bottled soon after they are made and are ready to drink shortly thereafter. The relatively small proportion of French red wines destined to be sipped and savored spend 18 to 24 months in oak casks and are then set aside for aging in bottles.

Tastes from the barrel heavily influence the prices of wine futures, sold the year after the harvest. Samples from the newly bottled wines help determine the wholesale price at which the wines are first shipped around the world. Only years later can vintages be ranked by taste with any precision.

And as most experts acknowledge, there is many a slip between barrel, bottle and lip. In 1967 André Simon, the wine writer, predicted that the 1965 Bordeaux would be as good as the promising 1961 vintage. Today, few of the weak, acidic 1965s are available.

Mr. Ashenfelter, who is the managing editor of The American Economic Review, is convinced he has found a better way.

It is widely agreed that weather influences wine quality. What few understand, he argues, is that a mere handful of facts about the local weather tell almost all there is to know about a vintage.

And using the same techniques employed to forecast, say, the effect of a change in wage rates on employment in the auto industry, he has gone a long way toward proving his audacious theory.

Weather-based vintage prediction is not a new idea. What is new is the notion that lap-top computers can outperform the most sophisticated noses and palates.

The critical concept, Mr. Ashenfelter acknowledges, came from Bruno Prats, owner of Château Cos d'Estournel in the St. Estèphe region of Bordeaux. Mr. Prats charted both the average temperature during the growing season and rainfall during the harvest months to make systematic comparisons between vintages.

Mr. Ashenfelter added data for winter rainfall and then measured their statistical relationships to the most objective measure of quality he could devise: an index of auction prices for about 80 wines.

According to this "multivariate regression analysis," heavy rains in the winter followed by a hot summer improve wine quality, while rainfall before harvest damages it.

For most young Bordeaux vintages, the Ashenfelter forecasts are within hailing distance of the tasters' wisdom.

A U.S. Historian Finds 'Something Uncanny' About Words

Daniel J. Boorstin, the noted historian — author of "The Discoverers," "The Image" and the trilogy "The Americans" — and the librarian of Congress emeritus, discussed his work and ideas with Barry James of the International Herald Tribune.

MONDAY Q&A

Q. What makes a library great?

A. The people who use it. There was a Bodleian librarian once who said he thought it was his mission to protect the books from the public, which is not my idea of what a library should do and not what the Library of Congress does. Unlike many other national libraries, it requires no certificate of admission. If you behave yourself and wear shoes and don't disturb anyone else, you are welcome. The great libraries are the product of many years of focused hopes and concerns by their readers.

Q. You have spoken of knowledge being the foundation of civilization.

A. Yes. The Library of Congress embodies the aspirations of the founders of the United States and their belief that knowledge was essential to a civilized society. It was created by people in the Age of Enlightenment who believed that knowledge was the foundation of welfare, happiness and freedom. It serves the members of a Congress in a way in which I would say that no other legislators are served. It is not generally recognized that about three quarters of the books are not in English, which is what should be expected for a nation of immigrants.

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Q. Why is the librarian of Congress not a librarian?

A. Before I accepted the suggestion of President Ford to be nominated as librarian, my wife and I went to the manuscript room and saw that President Roosevelt had asked Justice Felix Frankfurter that question. Roosevelt was thinking of appointing Archibald MacLeish, a man of letters and an eminent poet. Frankfurter pointed out that in Europe the great libraries had been directed by scholars like Leibnitz, and he encouraged Roosevelt to appoint MacLeish. He said that the person who directs a great library should be a person who knows books, loves books and makes books. That was one of the considerations that encouraged me to take on the job.

Q. If you could take one book to a desert island, what would it be.

A. In addition to the Bible and Shakespeare, of course, the Oxford English Dictionary. I cannot think of any other work that would remind me of the iridescence of language and its capacity for growth and fertility.

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Q. And if you were allowed one painting to hang on the wall of your grass hut?

A. Your question has an implication which I do not want to accept, which is the hierarchical concept that one painting can be the best. Every great work of art or literature or painting adds something in an uncanny way and leads in some new direction. I would ask my native companions to decorate my hut with some of their primitive work. It might be just as good as any of the primitives that I could bring with me.

Q. Your work has been much concerned with man's discovery of himself. But do you know yourself?

A. Certainly I do not know myself. If I had to draw any moral from my experience, it would be that my most important decisions were made for reasons I cannot understand — namely my marriage which has been the most important thing in my life, and my vocation as a writer. I believe in a calling, and I do not think one can describe the reasons for it. In "The Creators," the book on which I have been working for some years, I will be able to talk about the who, what when and where, but not the why of creation. The why remains a mystery to me, and that is what entices me to go on in this kind of work. If one had a simple answer it would not be interesting .

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Q. Is there anything you regret not having done?

A. Never having learned to read Greek or to dance or to play a musical instrument.

Q. You have written about many great men. Is there any one you would like to spend an afternoon talking to?

A. I have been dismayed to discover how many people whose books I loved were written by people who are not very interesting. You write a book so you do not have to tell about it. The best judge of what a book says is not the author, it is the reader.

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Q. In the age of the chip and the video image, is the written word losing its importance?

A. There is something uncanny about the word. Other forms of art can lose their character and sometimes become their opposite. It is no accident that almost every great movement in history has begun with the word. I think the freedom of the word is essential to a free society. And I think that it is essential that we try to make Americans more literary — not just literate but literary, more aware of the beauties and the infinite capacities of the word.

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Q. But the well-reasoned argument has given way to the sound byte.

A. Yes — and an example of disrespect for the word is when people say words written for them by others. I think the rise of the ghostwriter is a witness to a lack of reverence for the word. Thomas Jefferson would not deliver a speech that he had not written. In Washington now, however, the test of a person's importance in the hierarchy is whether he writes his own speeches; if you write your own, you are nobody of consequence. I would rather invert this. I respect people who write their own speeches.

Comoros Returns to Polls

United Press International

NAIROBI — Voters in the Comoros went to the polls on Sunday in their second attempt in three weeks to hold a presidential election. The first attempt, on Feb. 18, was called off after opposition leaders cited irregularities.

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U.K. Poll Tax: 'Political Cyanide' for the Tories?

By Barry James
International Herald Tribune

If there were an election in Britain today, the opposition Labor Party would win by a landslide, according to three new opinion polls.

The latest, on Sunday, said Labor was poised to capture a government stronghold, Mid-Staffordshire, in a by-election this month.

The polls suggest that the fortunes of Prime Minister Margaret Thatcher's Conservative Party have plunged to their lowest level in nearly two decades.

An undoubted reason for this decline in popularity is a hefty new tax, due to be levied in England and Wales next month, called the community charge, but known to everyone as the poll tax.

Unlike income tax, or the property tax that it will replace, the community charge will be levied on everyone over age 18, regardless of wealth or earnings. The rich man in his mansion will pay no more in local taxes than the poor man at his gate.

Thus the wealthiest man in Britain, the Duke of Westminster, will pay a community charge of £430 ($710), exactly the same as his resident housekeeper and chauffeur. The billionaire Queen Elizabeth II will pay nothing, since she is not subject to personal taxation, and the property tax on Buckingham Palace will be abolished.

The last time an English government imposed a poll or head tax was in 1381, and that precipitated the Peasant's Revolt, when mobs beheaded the royal chancellor and treasurer.

The tax was abandoned. Six centuries later, the rightist Adam Smith Institute revived the idea as a way of funding local government.

No one is suggesting that hordes of militant peasants are about to march on London again, but many of the queen's subjects are in an angry and rebellious mood. Thousands took part in anti-tax demonstrations around the country on Saturday, and last week 18 Conservative councillors in Oxfordshire resigned over the issue.

Many Conservative members of Parliament fear the tax will lose them their jobs at the next election. One called it the government's "Titanic." Another, Tony Marlowe, said it was "a political cyanide pill" and accused the government of "declaring war on the people." A Labor member of Parliament jibed that the Conservatives are like "turkeys voting for an early Christmas."

The prime minister refuses to backtrack. On Saturday, she told Conservative councillors that the community charge will be "fairer" than the property tax and would bring "good and efficient services to millions at a reasonable cost."

Replacing the property tax with the poll tax was meant as an assault on the socialist bastions in Britain's town halls. Policymakers reasoned that if everyone, rather than just homeowners, had to pay a local tax, they would be encouraged to reject high-spending Labor councils and replace them with frugal Conservative ones.

But the revolt has spread to solidly Conservative shires, where homeowners struggling to pay 15.4 percent interest rates on their mortgages, are faced with dramatically increased local tax bills.

The government originally predicted people would pay an average annual community charge of £278.

In fact, most local councils are setting tax rates far in excess of the government's estimate. Inflation, already nudging 9 percent, is likely to rise further as a result.

The prime minister accuses the councils of setting the tax as high as possible "hoping people would blame us instead of getting the blame on themselves where it should rest."

The councils, in turn, say they are constrained because the government has squeezed the amount it contributes toward running local services out of central taxation.

The evidence from Scotland, where the community charge has been in effect since April, is that the tax is resented. Out of three million eligible taxpayers, 500,000 are estimated to be in default.

About 18 million families in England and Wales are taxed under the present domestic rating system to pay for a portion of local services such as schools, police, refuse collection, road upkeep and social welfare.

Under the new system, all 38 million adults will be liable to pay the community charge, although an estimated 9.5 million people with little or no income will be entitled to rebates of up to 80 percent.

In all, the new tax is expected to raise about £6 billion, the same amount collected through taxes on domestic property.

■ Welsh Minister to Resign

The secretary of state for Wales, Peter Walker, announced Sunday that he planned to resign, Reuters reported from London.

Mr. Walker, a minister since Mrs. Thatcher came to power in 1979, said he would step down before the next general election for personal reasons.

Let's talk about global presence

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Africa and Middle East: Cairo, Johannesburg, Lagos, Manama, Tehran.

Gérard Blitz Of Club Med Is Dead at 78

The Associated Press

PARIS — Gérard Blitz, founder of the Club Méditerranée group of vacation villages, died Saturday in a hospital here, company officials said Sunday. He was 78.

Mr. Blitz died at Cochin hospital after an illness, which officials declined to disclose.

He created Club Med in 1950 as a nonprofit association and led the first group of vacationers to a tent village in the Balearic islands. Club Med villages have since been developed into modern hotel facilities.

Mr. Blitz remained honorary president of Club Med after he was succeeded in 1963, and continued to participate in the company's planning sessions.

Robert L. McDonald, 45, Award-Winning Filmmaker

NEW YORK (NYT) — Robert L. McDonald, 45, an award-winning filmmaker who became the chief of the Perry Ellis design house after its founder's death, died of AIDS on Friday night at his home in New York.

Mr. McDonald was executive producer of two films nominated for Academy Awards and received other honors for films created for use in school study programs. The Academy Awards nominations were for "It's So Nice to Have a Wolf Around the House" in 1978, and "Split Cherry Tree" in 1982.

In 1986, Mr. McDonald became president and later chairman of Perry Ellis International after the designer's death.

■ *Other deaths:*

Josephine Johnson Cannon, 79, who won the Pulitzer Prize for fiction in 1934 for her novel "Now in November," of pneumonia on Tuesday in Batavia, Ohio. She wrote 11 books, including novels, short story collections and poetry.

Frederick Landis, 78, a former judge of the U.S. Customs Court and former chief judge of the Indiana Supreme Court, of intestinal cancer on Thursday in Carmel, Indiana.

Levi William Swanson, 53, former publisher and editor of After Dark, a New York entertainment magazine that ceased publication in 1983, of AIDS on Monday in Hollywood. After Dark was noted for promoting new talent.

Scott Jarvis, 48, an actor and singer, of AIDS on Monday in New York. He was a member of the original cast of the musical "1776," and also appeared in "Sugar" and "Here's Where I Belong."

MEMORIAL NOTICE

A commemorative service will be held Tuesday, March 6 1990 at 5:30 p.m. at the Church of St.-Pierre-de-Chaillot 35 Ave. Marceau, Paris 16th for Mr. Stephen DE PIETRI deceased February 17, 1990, in Paris.

WORLD BRIEFS

U.S.-Iranian Hostage Talks Reported

DUBAI, United Arab Emirates (Reuters) — An Iranian political source said Sunday that Iranian and U.S. officials had completed a round of direct talks in Europe on efforts to free Western hostages in Lebanon.

The source, close to senior government officials, said that Iranian and American negotiators had met four or five times in West Germany and that talks were continuing on freeing the 17 Westerners held in Lebanon, including eight Americans. He said Tehran had dropped its previous insistence on U.S. concessions. President George Bush has denied any secret talks with Iran and has ruled out trading for the hostages.

In London, the Independent on Sunday reported that Iranian officials had arrived in Beirut to organize the release of one or more of the hostages. The newspaper quoted an exile who took part in previous negotiations as saying that he expected a release within days, but it quoted others as saying that the matter was still being debated in Tehran.

Vatican Sends a Mediator to Beirut

BEIRUT (Combined Dispatches) — A shaky cease-fire in the battle for control of Lebanon's Christian enclave held Sunday as a Vatican mediator arrived to try to prevent the Syrian Army from entering the conflict.

The truce began Saturday after two days of heavy fighting between rival Christian forces that brought to 790 the number of people killed since the fighting started on Jan. 31.

Government officials said the Vatican had sent Monsignor Alberto Sozzi to persuade Major General Michel Aoun and his rival, Samir Geagea, the head of the Lebanese Forces militia, to end the conflict to avoid Syrian military intervention. *(AP, UPI)*

U.S. Soldier Dies in Panama Attack

PANAMA CITY — An American soldier died of injuries sustained in a grenade attack on a discotheque, and 13 fellow servicemen remained hospitalized, the U.S. military said Sunday.

The victim was among 16 U.S. servicemen and 12 Panamanians injured in the attack late Friday. Witnesses said that two men yelling, "Long live Noriega!" threw a grenade through a glass wall of the disco and then sped away in a car. There was no immediate claim of responsibility.

It was the first such attack on U.S. soldiers in Panama since the invasion in December that ousted Manuel Antonio Noriega, who is awaiting trial on drug charges in Miami.

Kuomintang Rift Widens on Taiwan

TAIPEI (Reuters) — A political rift splitting Taiwan's ruling Kuomintang, or Nationalist Party, widened Sunday as a group of elderly party veterans proclaimed support for an alternative set of candidates to challenge President Lee Teng-hui in upcoming elections.

More than 100 conservative members of the National Assembly called on Lin Yang-kang, the senior judicial officer, and the National Security Council chief, Chiang Wei-kuo, to run for president and vice president. Mr. Lin and Mr. Chiang thanked the group for their support, but stopped short of openly accepting the draft.

The 752 members of the Nationalist-dominated assembly, acting as an electoral college, will decide on March 21 and 22 whether to give Mr. Lee, the party's official nominee as well as chairman, another six-year term. The anti-Lee campaign reveals deep divisions within the National Assembly, which is made up mostly of aging Nationalists who fled from China in 1949 with the defeated Chiang Kai-shek.

Ivory Coast Postpones Wage Cuts

ABIDJAN, Ivory Coast (Combined dispatches) — The government of President Félix Houphouët-Boigny postponed indefinitely on Sunday the announcement of austerity measures, including wage cuts, that have caused two weeks of unrest, the Ivory Coast state-run radio said.

The measures, which include proposals to cut wages by as much as 40 percent, were to have been announced Monday. The announcement has already been postponed three times. The government said it would begin a campaign to dispel misunderstandings about the cuts, which it said had been spread by "our country's enemies."

Police used tear gas to break up demonstrations last week as workers angered by the proposals joined striking students. The economy of Ivory Coast, once one of the richest countries in Africa, is in a slump because of low commodity prices. *(UPI, Reuters)*

TRAVEL UPDATE

U.S. Sets Airline Rules for Disabled

WASHINGTON (WP) — The government has ordered airlines to provide more services for the disabled, including special narrow wheelchairs to allow access to lavatories. But it said that the blind and those judged incapable of operating emergency exits may be refused seats in exit rows. The new rules are to go into effect April 5.

The action establishes the right of a disabled person to air transport and help in boarding unless the airline finds that a person's presence "would be inimicable to the safety of the flight." Airlines may not limit the number of disabled people on a flight and may not require advance notice that a disabled person is traveling, although they may require up to 48 hours' notice if a disabled person needs special accommodations. With various exceptions, an airline also cannot require that a disabled person be accompanied by an attendant.

Thousands of U.S. travelers were stranded over the weekend after drivers for the Greyhound bus system began a wage strike. Nine thousand communities, mostly in rural areas, have been affected. *(NYT)*

About 7,500 employees at 11 large Hawaiian hotels have gone on strike after talks on wages and benefits broke down. Hotels affected include the Hyatt Regency, Hilton Hawaiian Village and Royal Hawaiian in Honolulu, the Sheraton on the island of Maui and the Kona Hilton on the island of Hawaii. *(Reuters)*

U.S. and Soviet officials have agreed to allow the first commercial flights from the eastern Soviet Union over the Pacific to the United States, the Alaska Air Group announced in Seattle. The agreement contemplates service between San Francisco and several Soviet cities, including Kiev and Minsk, by way of Anchorage, Alaska. *(Reuters)*

Stormy seas and fierce winds in the Strait of Gibraltar have stranded some 400 tourists in Ceuta, a Spanish enclave on the North African coast, for four days, Spanish officials said Sunday. *(AP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

TUESDAY: Ghana, Guam.

THURSDAY: Algeria, Guinea-Bissau, Mongolia, South Yemen, Soviet Union, Syria, Taiwan.

FRIDAY: Belize.

SATURDAY: Burma, Nepal, South Korea, Taiwan.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	9	48	4	43	r
Athens	—	—	—	—	
Barcelona	14	57	6	43	sh
Belgrade	6	43	0	32	sf
Berlin	8	46	0	32	sf
Brussels	9	48	4	39	r
Budapest	7	45	-1	30	sf
Copenhagen	10	50	4	39	sf
Costa Del Sol	16	61	14	57	sf
Dublin	10	50	6	43	sf
Edinburgh	9	48	4	39	sf
Faro	14	57	7	45	sf
Florence	15	59	-1	30	sf
Frankfurt	7	45	2	36	sf
Geneva	7	45	-2	28	sf
Helsinki	1	34	-8	18	sw
Las Palmas	21	70	16	61	sf
Lisbon	17	63	7	45	sf
London	12	54	6	43	sf
Luxembourg	5	41	1	34	sf
Madrid	10	50	2	36	sf
Milan	13	55	-3	27	sf
Moscow	1	34	-3	27	sf
Munich	7	45	-4	25	sf
Nice	14	57	4	39	sf
Oslo	11	52	3	37	r
Paris	11	52	2	36	r
Prague	6	43	1	34	sf
Reykjavik	2	36	-2	28	sf
Rome	14	57	8	46	sf
Stockholm	4	39	0	32	sf
Strasbourg	8	46	-1	30	sf
Venice	11	52	-1	30	sf
Vienna	9	48	2	36	sf
Warsaw	5	41	-1	30	sf
Zurich	6	43	-5	23	sf

MIDDLE EAST

Ankara	—	—	—	—	
Cairo	24	75	11	52	fl
Istanbul	—	—	—	—	
Jerusalem	18	64	5	41	sf
Tel Aviv	20	68	6	43	s

OCEANIA

Auckland	25	77	17	63	fl
Sydney	30	86	20	68	sf

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	25	77	sf
Beijing	9	48	-2	28	sf
Hong Kong	19	66	16	61	r
Manila	31	88	23	73	sf
New Delhi	23	73	9	48	sf
Seoul	10	50	3	37	sf
Shanghai	11	52	6	43	sf
Singapore	34	93	25	77	sf
Taipei	16	61	13	55	r
Tokyo	15	59	7	45	r

AFRICA

Algiers	17	63	10	50	sf
Cape Town	26	79	17	63	sf
Casablanca	18	64	9	48	sf
Harare	30	86	17	63	sf
Lagos	—	—	—	—	
Nairobi	27	81	14	57	sf
Tunis	15	59	12	54	r

LATIN AMERICA

Buenos Aires	24	75	15	59	fl
Lima	27	81	19	66	sf
Mexico City	24	75	8	46	sf
Rio de Janeiro	28	82	24	75	sh

NORTH AMERICA

Anchorage	1	34	-3	27	sf
Atlanta	16	61	2	36	sf
Boston	2	36	-6	21	sf
Chicago	-1	30	-5	23	sf
Denver	12	54	-1	30	sf
Detroit	2	36	-6	21	sf
Honolulu	26	79	19	66	sf
Houston	21	70	9	48	sf
Los Angeles	16	61	10	50	sf
Miami	25	77	14	57	sf
Minneapolis	3	37	-9	16	sf
Montreal	-2	28	-14	7	sf
Nassau	29	84	22	72	sf
New York	4	39	3	37	sf
Phoenix	28	82	14	57	r
San Francisco	14	57	7	45	r
Seattle	12	54	4	39	r
Toronto	7	45	-1	30	sf
Washington	7	45	-1	30	sf

cl=cloudy; fa=fair; fr=fair; h=hail; o=overcast; pc=partly cloudy; r=rain; sh=showers; sn=snow; st=stormy.

MONDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Fair. Temp. 8 — 0 (46 — 32). LONDON: Fair. Temp. 10 — 2 (50 — 28). MADRID: Cloudy. Temp. 10 — 4 (50 — 39). NEW YORK: Partly cloudy. Temp. 4 — 3 (39 — 27). PARIS: Fair. Temp. 11 — 2 (52 — 36). ROME: Fair. Temp. 16 — 5 (61 — 41). TEL AVIV: Not available. ZURICH: Fair. Temp. 6 — 1 (43 — 30). BANGKOK: Partly cloudy. Temp. 34 — 26 (93 — 77). HONG KONG: Rain. Temp. 14 — 11 (57 — 52). MANILA: Fair. Temp. 33 — 22 (91 — 72). SEOUL: Partly cloudy. Temp. 9 — 5 (48 — 32). SINGAPORE: Fair. Temp. 30 — 24 (86 — 75). TOKYO: Fair. Temp. 14 — 5 (57 — 41).

Santiago Lyon/Reuters

President-elect Violeta Barrios de Chamorro responding as her daughter Cristiana joked at ceremonies on the 64th anniversary of La Prensa, the newspaper headed by Mrs. Chamorro.

Nicaraguans Demand Action, Quickly, on Economy

By Larry Rohter
New York Times Service

MANAGUA — With the store shelves largely bare and a third of the work force unemployed, Nicaraguans are serving notice that they expect the newly elected government to bring about rapid improvement or face political consequences.

Ten years of economic decline under the Sandinista National Liberation Front, compounded by eight years of civil war and five years of a U.S. economic boycott, have reduced living standards here to the same level as in 1940.

Perhaps as much as the desire for peace, dissatisfaction with the state of the economy resulted in the victory of Violeta Barrios de Chamorro and her 14-party opposition coalition in the recent presidential election.

"We have been drowning," said Xiomara Silva, a housewife and the mother of five who voted for Mrs. Chamorro, as she shopped in Managua. "Everything is so expensive and salaries have fallen through the floor. If you eat today, you don't eat tomorrow. But now maybe we will be able to work and know the sight of meat and medicine again."

Advisers to the president-elect have promised that "the first fruits" of victory will begin to appear within 100 days of her inauguration on April 25. They may well face a backlash should they fail to deliver to the voters' satisfaction.

"I don't want Doña Violeta so much as I want a change," said Guillermina Medina, a street vendor. "I want an end to the military draft, I want jobs, food, less inflation. If she can give me that, fine. If not, then I'll go with someone else."

With many Nicaraguans convinced that Mrs. Chamorro's victory means the war is effectively over, the economy promises to be the main battlefield on which Nicaraguan politics will be fought for the next six years.

The Sandinista Front and the Chamorro coalition, known by the acronym UNO, offer sharply different visions of how society should be organized. Each believes its success will be guaranteed by the failure of the other's program.

"The Sandinistas know the disastrous state of the economy is how they lost, and they want UNO to lose too," said the president of the Superior Council for Private Enterprise, the country's most influential business group.

The Sandinistas have attempted to depict themselves as guardians of public welfare. They also seem to be encouraging workers to make large wage demands of the new government, both to keep pace with inflation that totaled 1,700 percent last year and as a political weapon.

On these and other questions, UNO's immediate economic strategy seems to focus on circumventing the Sandinistas.

The nationalized banks are to be supplemented by new private "finance houses," the state monopoly on foreign trade is to be weakened by granting licenses to qualified private companies and state enterprises that cannot be unloaded are to be made more efficient by introducing profit-sharing measures and allowing worker and opposition party representation in management councils.

The incoming government also hopes to introduce new currency, freely convertible and circulating at a value of one to the dollar, to supersede the cordoba, which now trades at 72,000 to the dollar.

Chamorro to Return or Pay for Confiscated Land

By Mark A. Uhlig
New York Times Service

MANAGUA — The government of Violeta Barrios de Chamorro, the president-elect, will move immediately to return or make compensation for most land confiscated by the Sandinistas and will sell many of the large state enterprises that have been a hallmark of the Sandinistas, Chamorro aides say.

The government scheduled to take office on April 25 will attempt to recover thousands of buildings, farms, vehicles and other property currently in the hands of members of the Sandinista National Liberation Front. It will also offer broad incentives to encourage professionals and other Nicaraguans who have left the country to return.

Mrs. Chamorro's chief economic adviser, Francisco Mayorga Balladares, said that the government would not displace farmers or workers who have received property under Sandinista land reform programs. He said that policies would be guided by economic prudence, not political revenge.

"We are going to respect the rights of the people who are already settled," he said. "But we are going to take a lot of wealth that has been misused, mismanaged, pilfered by the Sandinista government, and distribute it to society in a very democratic way."

Before Mrs. Chamorro's victory over President Daniel Ortega Saavedra in recent national elections, many senior opposition leaders spoke of their platform only in broad terms. But, backed by a victory margin of more than 14 percentage points, the opposition has given its program new definition and priority.

And it has drawn the lines for what is expected to be a protracted political battle over the practical legacy of the decade-long Sandinista movement.

The most critical points to be negotiated with Sandinista officials, opposition leaders say, are the dismantling of the contra army and the ending of Sandinista control over Nicaragua's large military and security forces.

Those issues, being discussed by negotiating teams established last week, are expected to define what the opposition says is a critical test of Sandinista good faith.

"It is their obligation to hand over power," said Virgilio Godoy, Mrs. Chamorro's vice presidential running mate, "and to hand it over completely, not in pieces or installments."

But broader conflicts have begun to emerge over the opposition's intention to dismantle the large governmental apparatus created by Sandinista policy, and to use it to reverse or reimburse Nicaraguans for the extensive confiscation of property carried out in the early years of Sandinista power.

Since the Sandinista revolution of 1979, opposition economists say, the government has taken control of approximately 40 percent of the country's arable land. Of that, they estimate, a little less than half belonged to the family or associates of the late dictator, General Anastasio Somoza; the rest was seized for political, military and economic reasons under decrees by the state.

Mr. Mayorga said the new government does not intend to give back land that belonged to General Somoza and his associates because it considers those confiscations justified. But he said all other seized property would be subject to recovery by its original owners under provisions being worked out by the new leaders.

In the case of unoccupied farmland, he said, old owners will be able to apply for new titles.

Where land has already been given to small farmers under Sandinista agrarian programs, original owners will be compensated with transferable coupons redeemable at special auctions of government land, he said.

AMERICAN TOPICS

A Pocket-Size Phone To Go Where You Go

The Washington area is expected to be the test site for a new-generation portable telephone, small and light enough to carry in pocket or purse, usable on the street and costing far less than today's cellular phones, The Washington Post reports. A similar system made its debut in England last year.

An initial 2,000 people would carry the phones starting next year if the plans of American Personal Communications Inc. pan out.

Callers could use the wallet-size phones while walking down a street, but only if they were close to a transmitter-receiver. About 30 of the transmitter-receiver units, about the size of a refrigerator, would be placed in half a dozen clusters around town.

Wayne Schelle, the company chairman, said he hoped the phones would ultimately cost $50 to $75. Hand-held cellular phones cost about $700. Most of the country's 3.5 million cellular phones are used by motorists for business calls.

The ultimate aim is for millions of people to carry low-cost, tiny phones in their pockets or purses. Wired telephones would become less common. "Your telephone will be as accessible to you as a pocket watch," said Lawrence A. McLernon, chairman of LiTel Telecommunications Corp., a promoter of the concept.

Notes About People

In the largest single donation yet to black higher education, Walter H. Annenberg has pledged $50 million to the United Negro College Fund during its current drive to raise $250 million. That surpasses the $20 million given by the actor Bill Cosby in 1988 to Spelman College in Atlanta. Mr. Annenberg, 82, ambassador to Britain during the Nixon administration, sold his publishing empire to Rupert Murdoch for $3 billion in 1988.

George S. McGovern, the liberal Democratic former South Dakota senator and loser to Richard Nixon in the 1972 presidential election, has borrowed $1.5 million from a bank and bought a rundown motel, the Stratford Inn, near Stratford, Connecticut. Mr. McGovern, 67, commutes regularly from Washington to help run the place. "I wish I'd done this before I'd run for president," he says. "It would've given me insight into the anxiety any independent businessman or farmer must have."

Short Takes

The Detroit area's Arab community, the largest in North America at 250,000 and made up mostly of Lebanese, is giving the old country an example of Christian-Muslim brotherhood. "There is no place where we feel the unity among Muslims, Christians and all Arabs better than Detroit," says Joseph Feghali, pastor of St. Maron/St. Scharbel Church. The two communities work together to provide food, shelter and advice for new immigrants fleeing the war in Lebanon.

A Washington variety store discourages shoplifters with a rogues' gallery of photographs of people convicted of stealing there. Tony Franco, the owner, takes pictures of accused shoplifters and posts them upon conviction. He said that only a couple among the gallery have since showed their faces in the store; both were told to leave.

Sheriff Michael Ashe of Hampden County, Massachusetts, faced with a federal court order limiting the number of prisoners he could hold even as local courts sent him more every day, commandeered a vacant national guard armory in Springfield, the county seat. The move has caused a flurry of injunctions and negotiations, but so far the sheriff's 19 minimum-security prisoners in the armory have been able to stay put.

The air force's 20 or so Blackbird spy planes, after more than 25 years of stratospheric snooping, are being retired to air museums, research labs or mothballs as an economy measure. Most of their work can be done by satellites for far less money. But not all, says The New York Times, which is why some members of Congress and air force officers object. Blackbirds, which fly at least 2,100 miles and hour (3,400 kilometers an hour) at 100,000 feet (30,500 meters), can photograph a larger area in less time than satellites, which are locked into specific orbits and may have to wait days to pass over a trouble spot.

Bald men — Anwar Sadat, Mikhail S. Gorbachev and now Frederik W. de Klerk — are peacemakers, Myron Orleans notes in a letter to the Los Angeles Times. Why? "All who see us are immediately aware of the sufficiency of our testosterone levels. Unlike the hirsute male, our manhood need not be demonstrated through repression and conquest."

Arthur Higbee

15-Day Waiting Period Set For California Gun Sales

Los Angeles Times Service

SACRAMENTO, California — Governor George Deukmejian, whose opposition to gun controls helped get him elected, has signed legislation making California the first U.S. state to impose a 15-day waiting period on the purchase of recreational rifles and shotguns.

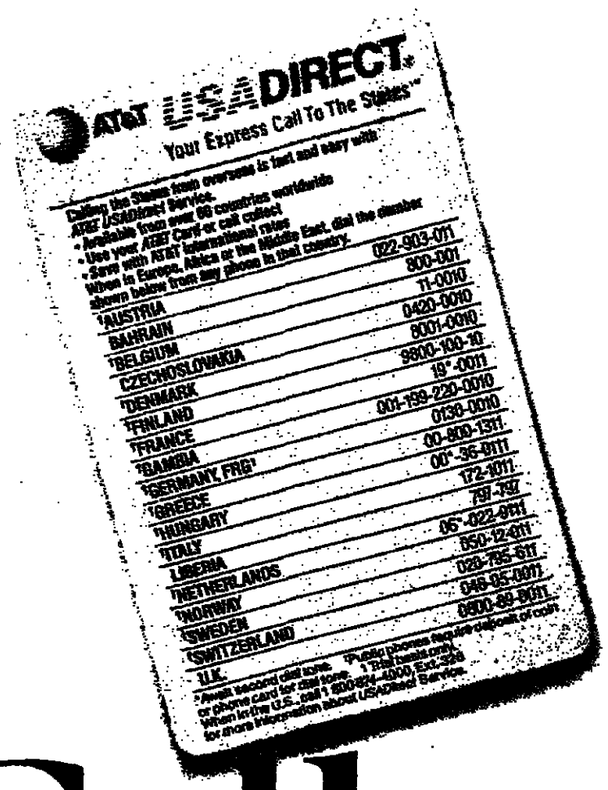
The Republican chief executive termed the bill, proposed by a Democrat, a "common sense approach" to dealing with criminals and the mentally unstable.

Gun control advocates said they hoped that the action would help overcome heavy resistance to pending federal gun control legislation.

"I think this is going to provide the momentum we need to pass sensible national gun policy," said Sarah Brady, chairman of Handgun Control Inc. "This enormous victory with such a comprehensive gun law is not going to be lost on lawmakers across the country, especially in an election year."

Partisans on both sides of the issue agreed that the legislation would be more far-reaching than the ban on assault weapons, enacted last year, because the new law will affect millions of Californians who buy firearms for sporting purposes or self-protection.

The bill was proposed by a liberal Democratic assemblyman, Lloyd Connelly of Sacramento. As of Jan. 1, 1991, it will extend to hunting rifles and shotguns the 15-day waiting period required of handgun purchases. This will make over-the-counter and private sales of most firearms subject to delay while authorities run background checks on purchasers.



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Welcome To AUSTRIAN

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

OPINION

Be Wary of Diet Fads

The U.S. government felt moved last week to get up in the pulpit and urge its flock to discipline their diets. It admonished every citizen above 2 years of age to eat less fat and more spinach. The sermon is probably salubrious, but the sanctimony can be taken with a modicum of salt.

Americans eat a rich diet, one that is probably laden with much more fat than is good for longevity. Methuselah, it can safely be held, was no couch potato. General prescriptions like "don't smoke," "take regular moderate exercise" and "eat less fat" are almost certainly good sense. It is harder to say as much for the more specific dietary advice that peppers the eater. Fads are to the diet book publishing industry what fashion is to the rag trade: a means to promote consumer expenditure.

Reflect upon the swift rise and fall of oats and olive oil. Oats, it turned out last month, are no better than any other grain in reducing a person's cholesterol level. Olive oil has now also slipped from its repute as a cholesterol reducer. Given the apparently unstable state of nutritional science, what tale can a harried consumer swallow?

A group that has little doubt of its own wisdom is the National Cholesterol Education Program, the public voice of the National Heart Lung and Blood Institute. One of its committees now says that people should take less than 30 percent of total calories from fat, and less than 10 percent from saturated fatty acids.

These are moderate recommendations, and far more likely to be right than wrong. Yet a strong minority of critics feels that they go beyond what is scientifically proved. Epidemiology and animal experiments both show that the more cholesterol carried in the bloodstream, the greater the likelihood of dying from heart disease. It is a persuasive conjecture that lowering cholesterol will reduce heart disease, but conjecture is not proof.

Elaborate clinical trials have been set up to test this idea, by giving patients low-fat diets or drugs that lower cholesterol. The benefits have been much less significant than expected. Although many cardiologists consider that the results still make a substantial case against cholesterol, others find the outcome prodigiously disappointing. It is even less certain that the results can be extended from middle-aged men, the usual subjects of these studies, to the young and old.

Dr. Richard Carleton, the chairman of the cholesterol panel, argues that 38 different professional organizations endorse his panel's conclusions. Their message, he says, is: "Let's not confuse. Let's coalesce. Let's speak with the same voice." But that is not how science works. Eminent authorities can err en masse, especially when they coalesce and suppress confusion. The premature release of the Salk polio vaccine is just one example close to home. The cholesterol panel may be right, but its methods are those of puffery, not science.

In listening to dietary advisers, there is one good policy: Eschew fats, fads and excessive certainty.

— THE NEW YORK TIMES.

Now the Tough Part

The first requirement now in Nicaragua is to confirm the passage from civil war to elected government by putting appropriate controls on the country's military forces. This means two different things: disbanding the unofficial contras, and bringing the official armed forces under government command. It is a strange challenge. Violeta Chamorro, leader of the opposition coalition that won the elections, is called upon to disband the contra force that in its way helped her to win. Daniel Ortega, president of the Sandinista government defeated at the polls, is called upon to turn over the security services that are the basis of his power.

There is general agreement on the proposition that the war is over and there is no further reason to resume battle. On this incontestable basis, President Ortega has formally renewed the cease-fire against the lesser part of the contra force perched in Nicaragua, and he has joined Mrs. Chamorro in calling for dissolution of the whole contra force, including the larger part in Honduras. Disbanding the resistance was a clear part of the national and regional bargain under which elections were held, and should be done without delay.

But how is President-elect Chamorro going to take over the army and police? The Sandinista-written constitution makes these the instruments not of the state but of the Sandinista party. Even after the elections, the party is far and away the largest single political institution, enjoying a position in the legislature large enough (40 percent) to block constitutional change. Constitutional shelter is also available to many other Sandinista institutional advantages, programs and laws, and while some of these, like land reform, are generally satisfactory to the new government, many are not. This is how President Ortega can say that "the change of government by no means signifies the end of the revolution," and how he can credibly pledge to continue "governing from below." He apparently intends to do this legally.

It would be encouraging to think that elections had launched Nicaragua on a conclusive change from a totalitarian to a democratic state. One does not want to underestimate the democratic currents that work in and on the country, but the reality may be more complex. Neither before nor after the Sandinista-led revolution of 1979 has Nicaragua had a state, as distinguished from a party, controlling the army. In Central America, only Costa Rica can boast such an achievement. The effort to consummate that transformation remains central to the democratic purpose in Nicaragua.

The Sandinistas say they fear being persecuted under the new elected order. The contras say they fear being persecuted by the Sandinista army. The two sets of apprehensions are not perfect mates, but let both be stipulated. In mutual need lie the makings of an accommodation that could satisfy both sides and provide a model of functional cooperation that might be extended to other contentious policy areas. Some trust will have to be built among Nicaraguans, and some sturdy support will have to be forthcoming from outside. This is the tough part of the climb back from Sandinista rule.

— THE WASHINGTON POST.

Other Comment

Cambodia's Core Problem

Indonesian Foreign Minister Ali Alatas, co-chairman of the Paris conference on Cambodia, could hardly hide his disappointment during the final press conference after the Informal Meeting on Cambodia, which Indonesia hosted, failed to produce tangible results. The meeting failed because of the core problem of the Cambodian conflict: Who will rule the country? The Khmer Rouge still entertains hopes that its superior military prowess and its ideological obstinacy will enable it to gradually enlarge the territory under its control, which would force the Hun Sen regime to accept a compromise on Khmer Rouge terms. That sort of vision, of course, is based on the premise that China will continue to act as its supply master and that Thailand, because of the ambiguity of the Thai military, will still condone use of its territory as a transit area and fallback base.

The IMC's failure should prompt Indonesia and Thailand — which hopefully will enjoy the support of all ASEAN members — to work toward a solution of the Cambodian conflict by gradually reducing the relevance of the Khmer Rouge. The proposition that in order to establish a legitimate government in Cambodia the Khmer Rouge's participation is essential contains a contradiction. The Khmer Rouge cannot be a constructive partner in building a better future for Cambodia.

— Jakarta Post.

Africa After Eastern Europe?

It is a sad truth that most African nations have not been well served by their own leaders in the post-colonial period. If Pretoria succeeds in its struggle for a peaceful transition to democracy, it will be a model for the people of Africa as striking, tempting and attractive as anything that has happened recently in Eastern Europe.

But it is by no means certain that African governments, too long settled into the comfort of rule by edict and bribery, will respond. Nor is there any promise that those responding will receive the required resources from the world's democracies, especially now that they seem more motivated to support Eastern Europe's new interest in market-driven economies.

The West is rushing to provide aid to Eastern Europe to encourage and advance the democratic revolution there. The need is no less in Africa.

Change in South Africa already is inspiring demands for change throughout Africa. But that change will be fragile and inconclusive at best unless it is matched by resources to accelerate development.

— Los Angeles Times.

Back to the Bicycle

Vegetarian meals, solar heating, bicycles and hydrogen-powered cars are imperative for an ecologically safe world, according to the Worldwatch Institute, a U.S. environmental body. The group's 1990 report says a world dedicated to recycling, food and energy efficiency and slow population growth must be created within 40 years if modern civilization is to survive. While many people will dismiss the group's findings with a pinch of (iodized) salt, environmental information on the future of the Amazon, Thailand's declining forests, the appalling pollution revealed in Eastern Europe — particularly East Germany — and the rape of the oceans raise genuine concerns.

But all is not lost. Public pressure does bring change — Eastern Europe's cleanup, the promised review of Thailand's forestry policies, for example. And President George Bush recently announced that the United States will expand national parks and wildlife reserves and plant one billion trees a year. Continued public awareness is the best way to ensure that Worldwatch's spartan vision of the world never materializes.

— Bangkok Post.

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First Human Rights, Now Monitors for Elections

By Flora Lewis

PARIS — Compared to difficulties ahead, winning Nicaragua's presidency was the least of Violeta Chamorro's problems. But the general election had to be the first step toward creating (not rebuilding — there never was a substantial foundation) a peaceful, democratic society with a functioning economy.

It is tempting to note superficial similarities between the Nicaraguan lady in white and Corazon Aquino, who wears yellow. Both were catapulted into politics after their crusading husbands were murdered; both have strong support from the Catholic Church; both face a ravaged society. The experience of the Philippines' president holds warnings for Mrs. Chamorro, too: Watch out for corruption and abuse of connections by a large, solidly entrenched old family.

But there are important differences. Fragile and feminine as she is, Mrs. Chamorro has a will of steel, a complete lucidity of purpose and a talent for reconciliation. She held her immediate family together although two of her children are ardent Sandinistas and two are pro-contra.

Her troubles in turning the Sandinista-run army and police into nonpolitical, national forces will be considerably greater than the troubles Mrs. Aquino has had, and the economy is run down much worse. Making democracy stick won't be easy. Still, the successful conduct of free and fair elections in the context of a regional plan brings a starting advantage.

Apart from the Nicaraguans themselves, credit goes to Costa Rica's President Oscar Arias, who persistently pushed the peace plan despite repeated setbacks, and to Secretary of State James Baker and House Speaker Thomas Foley, who forged the bipartisan compromise establishing U.S. support for a political settlement.

They saw that elections offered the only chance for solution. The vote could have gone the other way. But the important thing was to make sure that people had the chance to speak for themselves and not through their self-appointed revolutionary or counter-revolutionary armed "vanguards."

This is a new development in international affairs. The idea of free elections is as old as democracy, of course. But the idea that foreigners have a right and responsibility to monitor introduces accountability to the world community as well as to the electorate.

The monitors' verdict invokes only the force of international opinion, yet it is a growing force. The acceptance of human rights as a valid subject for diplomacy took hold only in the last decade or so, and it brought important changes in Europe. Attitudes about the sovereign impunity of states in their domestic deeds have evolved.

Elections are next. Mr. Baker wants to add guarantees for regular, free elections to the Helsinki accords.

When they were signed in 1975, many wrote off the human rights commitments as a delusion. Ask East Europeans if they were worth the paper they were written on.

Surprisingly, the Soviets also say that elections should be included in a new Helsinki document. It would apply to Europe, themselves and America, and so much the better. International supervision of the campaigning, voting and counting process should not be seen patronizingly as a way for legitimate governments to put nannyish pressure on bad ones, leaving the nannies to look after themselves.

On occasion, America could have used some certified onlooking. A recent New Yorker series by Robert Caro on Lyndon Johnson's Texas elections provided stunning documentation of plain theft, especially in Mr. Johnson's first election to the Senate. Questions about the propriety of the Chicago vote count which assured that John Kennedy became president might not have arisen if international election watching were the rule.

It is no shame to invite outside observers into the family precincts; what is shaming is to be known to misbehave. The more countries accept monitoring as standard, the harder it will be for cheaters to refuse.

There is a certain tasty irony in Nicaragua's being the country to prove the value and effectiveness of a horde of foreign ballot overseers. Nicaragua was one of the countries which played host to thousands of revolutionary groupies who ran from Havana to Lisbon to Madrid and on in the 1970s and '80s. If they weren't all the same people, they were lookalikes in their leather sandals and their defiant rejection of grooming.

The Nicaraguans called them "sandalistas," and Mrs. Chamorro's newly elected vice president, Virgilio Godoy, has invited them to go home. Replacing them with a new set of well-shod itinerant groupies keeping the vote honest would do a world of good, in a world loudly signaling that this is the way it wants to go.

The New York Times.

America Doesn't Belong in Kohl's Political Pocket

By Stephen S. Rosenfeld

WASHINGTON — There is a certain kind of logic to Helmut Kohl's weaseling on the German-Polish border. The West German chancellor is in a close fight for re-election and he fears that by unequivocally renouncing any possibility to reclaim the eastern territories that a defeated Nazi Germany was forced to yield to Poland at the end of World War II, he might lose votes among the several million former residents of those territories and thus lose the race. But what is George Bush's excuse? By his own equivocation — he says that the United States considers the border final, but he does not publicly press Germany to take the same position — he shows weak leadership and creates the possible stuff of world-class political disorder.

In helping Europe emerge into the sun, President Bush has generally played a steady hand. But on the border issue he has shown excessive sympathy for Mr. Kohl's electoral pleadings.

The White House view seems to be that the chancellor and his Christian Democrats are proven commodities and much to be preferred at this gear-shifting moment to the vaguely leftist opposition Social Democrats. In Mr. Kohl's re-election, the Bush administration seems to see the best guarantee of the American interest in maintaining a strong NATO with solid German membership and a continued American presence. The risk seen lurking in a socialist victory is that a new German government might evict the Americans and take the newly reunified country neutral.

This is how the Bush administration comes close to taking sides in the German elections and giving Mr. Kohl something of a blank check on the German-Polish border issue. Mr. Kohl, after all, has been heard alluding to East Germany as "Middle Germany," as though it was still on the agenda to regain the old eastern territories. Mr. Bush's sidestepping has now freed Mr. Kohl at the least to hint in his re-election campaign that the socialists — whose border views are in fact impeccable and statesmanlike — have renounced the eastern territories and betrayed traditional German national interests.

It is not clear exactly what appeal the nationalist argument might have in East Germany, whose voters will presumably be citizens in a reunited Germany by December and eligible to vote in (West) Germany's elections. It is all too clear, unfortunately, that such a pitch could be potent in West Germany, where "expellees" from the East and nationalist elements may not expect actually to get back the lost lands but may hope to use their claim to bargain for compensation and for recognition of the rights of German minorities in the East.

Only trouble can come from carrying an intensely emotional border issue into what is meant to be a new and harmonious period of Europe's flowering. It is grotesque to turn the achievement of German reunification into an occasion for reviving fundamental anxieties about German trustworthiness.

For the United States, there is a more responsible course than lending American weight to one side — the wrong side — of an issue that should have been put away a long time ago, and it lies in urging Germans to modernize their politics and to root out anachronistic and dangerous Cold War ideas such as this one.

Some will reply, with appropriate discretion, that in this period of transition it is the course of responsibility, not the opposite, to do what can be done to make sure that the neutralist and leftist tendencies of the socialists are kept within bounds. But that is properly an argument not for favoring one German side but for emphasizing that Germany, whether ruled by one party or another and whether divided or reunified, needs to develop what Americans would call a bipartisan foreign policy, one that represents enduring and agreed national interests and that does not swing back and forth at each election.

You can say that there remains a chance that Germany will turn to the neutralist left, but it is demonstrable that powerful countervailing forces in NATO and now also in the East seek to anchor Germany firmly in the West.

You also have to say that there is a chance that Germany will turn to the hard right. Of the twin prospects, the latter is more immediate and more menacing to the confidence on which the future of Europe must be built.

As the leader of the free world, the United States should not take refuge in minimal formulas and thrust the burden of objecting to Mr. Kohl's equivocation upon Poland. Washington should strive to ensure that Mr. Kohl stops using the border issue for electoral purposes and turns it instead to the uses of peace.

The Washington Post.

Less Than Decent Respect for Others' Sovereignty

By William Pfaff

PARIS — The U.S. Supreme Court has just ruled by a 6-3 majority that actions of U.S. law enforcement agents outside the United States are not subject to the restraints imposed inside the United States by the Bill of Rights.

The court finds that American agents abroad are not bound by the Fourth Amendment guarantee that "the right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the person or things to be seized."

The court holds that American national interest is superior to a foreign person's claim to security in his or her person and house, and that an American agent abroad need seek no warrant for his acts. Chief Justice William Rehnquist put it baldly. "Situations threatening to important American interests may arise halfway around the globe." This being so, no restriction is to be placed upon the actions of American agents that is not "imposed by the political branches" of the U.S. government through diplomatic understanding, treaty or legislation.

The decision is one more step by American legal officials to assert an internationally sovereign U.S. authority. By this, U.S. law is not only applied beyond U.S. borders, to persons who are not U.S. citizens, but this also is done in disregard of the constitutional limits upon law enforcement in America.

The Supreme Court's decision follows Bush administration assertions of authority to go abroad to seize persons indicted by U.S. courts, in disregard of foreign jurisdictions and sovereignties. Before that there were attempts to enforce U.S. company, banking and securities legislation abroad.

The assertion of a right to seize fugitives provided justification for the invasion of Panama to arrest Manuel Antonio Noriega. His arrest was accomplished while U.S. forces killed several hundred (the total has yet to be established) bystanders, and many uncharged associates of the person being arrested — conduct that the Supreme Court would find intolerable in a domestic arrest.

How have Americans and their courts arrived at such a position? There seem to me two elements in the explanation. The first is the legalism of American society, which historically is the product of that concern for constitutional order at the roots of the American federal union. There is a preoccupation with legal codification and definition throughout American life and government.

Running in parallel with this has been a puritanism which rejects the deliberate hypocrisy practiced by other states in their secret operations. No one in Britain or France thinks that their secret services do not sometimes break the law of other countries or commit acts which would be illegal in the home country. These things are thought justified by raison d'état, and acceptable so long as the services responsible are under the responsible control of elected officials.

Only the United States expects legally to define, codify and proclaim the authority of its clandestine services to break the law of other countries and to disregard international law. Only America is capable of conducting "covert" operations abroad (like the contra program) while openly debating them in Congress.

This legalism and rejection of hypocrisy are often pronounced a great strength of American democracy. In fact it produces a steady deterioration in the standard of conduct legally permitted American government and its agents. When you codify and formally legalize raison d'état you end, as the United States now has done, in legalizing forms of murder (complicity in political assassination), housebreaking and theft, and acts of international aggression and undeclared war.

The force at work behind this obviously is nationalism: the belief that American interests as defined by the administration in office are superior to and supersede any other interest. In this Supreme Court decision American national interest is declared superior to the sovereignty and domestic law of any other country, to international law and to the ethical values and conventions of conduct that otherwise prevail among civilized nations.

The Supreme Court is declaring in legal language that "We're Number One" — and the rest are number zero. It is an aggressive assertion of American national preeminence, with pernicious — anarchic — implications for the international community.

It is time indeed for a "political branch" of government, the Congress, to restore to the practice of American government that "decent respect" for the interests and opinions of the rest of mankind which the nation's founders enjoined upon their fellow citizens.

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Who Will Speak Up For Tibet?

By A. M. Rosenthal

NEW YORK — For five days last month, Tenzin Gyatso, a Buddhist monk who is the Dalai Lama, was the guest of Vaclav Havel, a playwright who is president of Czechoslovakia. Leaders of nations love to visit one another. What's the news?

A pity the visit was ignored. It was not only important but tells a great deal about Tibet, Mr. Havel, China and the United States.

On March 17, 31 years will have passed since the Dalai Lama, then 24 years old, fled Lhasa by night to escape the Chinese and save the Tibetan national identity. Nine years earlier, in 1950, the Chinese Communists began their occupation of Tibet. Before the Dalai Lama was driven into refuge, and since, the Chinese Communists tore his country apart — annexed a large part of it, enforced military rule over the rest, murdered at least a million Tibetans, imprisoned millions.

The world did its best to forget Tibet, in fear of China or in dreamy but still unfulfilled lust for a billion Chinese consumers. One way it tried to forget was for national leaders to refuse even to see the Dalai Lama, coldly pretending him out of existence. Not one U.S. president has had the courtesy or the courage to receive the leader of the Tibetans, the symbol of godliness for them and many other Buddhists around the world.

The tiny band of Tibetan representatives in Washington is not welcome at the State Department. They can lunch with somebody in the department from time to time, but it must be outside the State Department, where emissaries of tyrannies are welcomed, honored and stuffed every day.

American presidents are not alone in their shame. The Dalai Lama won the Nobel Peace Prize last year, but for 31 years this was the complete honor roll of countries whose leaders received him: Costa Rica, Mexico, India. Now Mr. Havel has added his country's name.

He knew that the invitation to the Dalai Lama, made in his very first speech as president, would infuriate Beijing. Every attention to the Dalai Lama arouses Beijing to immediate denunciation.

The very thought of Chinese anger freezes the Western nations into statues of servility. In the United States the president even went back on his word to bar high-level contacts with the regime that ordered the spring massacres. But Havel was able to control his terror. When the denunciation from Beijing came, he replied politely but without tremble or apology.

The Chinese did not break relations. If they ever do, I imagine that his government will withstand the shock.

Mr. Havel is in danger of being gun-ized in America. He will probably survive that, too. He and his top aides have set their own style, which should work against American canonization as well as Chinese bullying.

In New York, at a small party, Foreign Minister Jiri Dienstbier was asked what would happen if the new style of Eastern European leaders came under pressure to conform, from the outside. He answered with a long shrug and a short sentence. We will tell them to stick it in their ear, is what he said, more or less.

Why is China exempt from even the lowest standards of human rights, to the point where it can execute its dissidents, sentence millions to forced labor, swallow the whole Tibetan nation, without the world seeming to mind? Roberta Cohen, a specialist in human rights, has written a book about that tantalizing question. It was published a few years ago by the University of Maryland Law School — "The Human Rights Exception."

American historic ties with China, the memory of the foul governments that preceded the Communist revolution, decades of eager acceptance of Chinese Marxism and Maoism, career interests of China specialists, dreams of fast fortune, Chinese secretiveness — those are some of the reasons.

But they all add up to the belief that somehow Orientals generally do not cherish life or liberty as much as Westerners do — a concise definition of racism.

American presidents think about the Dalai Lama as a problem — an irritation to China. Mr. Havel thinks about him as a fighter for human decency. That is the difference, and it is likely to remain until the next American president.

But oh, what a joy simply to dream that one day a president of the United States will put his arm around that good man, the Dalai Lama, smile pleasantly into the camera and say, "Well, the Chinese Communists can just stick it in their ears."

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Revolution Bound

PARIS — M. Paul Lafargue, Karl Marx's son-in-law, has expressed the opinion that a revolution is inevitable and impending in Germany. Germany, he said, would be ready before France, that is, ready from a Socialist's point of view. The German Socialists were far better organized, and more powerful than the French. M. Lafargue admitted that in Paris the Socialists were greatly divided, but declared that Socialism still had deep root in the provinces.

1915: Russians Triumph

PETROGRAD — The battle of Przasnysz ended on Sunday [Feb. 28] with two German army corps hurled back to the frontier of East Prussia and 10,000 prisoners and a rich booty in the hands of the victorious Russians. This success transforms the whole situation on the eastern front in less than a week from one in which the Germans were making offensive moves on both wings, into one in which they are on a far from promising defensive. It is by the holding of the regions of Przasnysz and Lomza that the Muscovites have brought about the failure of the whole of Marshal von Hindenburg's plan.

1940: Welles, Hitler Meet

BERLIN — Under-Secretary of State Sumner Welles, Presidential envoy to Europe, conferred with Chancellor Adolf Hitler today [March 2]. It is learned that Herr Hitler told the U.S. envoy that if there was to be peace, it must be more or less on the basis of the status quo, as well as a recognition of what are called Germany's natural spheres of interest and economic necessity in central Europe. Herr Hitler depicted to Mr. Welles an intensified war "for which Germany is fully prepared," and indicated Germany's belief that no basis for peace exists because Britain allegedly is out to crush the German nation and German people.

John Parkin/The Associated Press

Nelson Mandela, left, being welcomed to Zimbabwe on Sunday by President Robert Mugabe in Harare.

Mandela Offers Reassurance to Whites

Reuters

HARARE, Zimbabwe — Nelson Mandela offered white South Africans reassurance Sunday that they had nothing to fear from an African National Congress government.

The ANC leader, greeted by President Robert Mugabe, other officials and thousands of well-wishers, flew here from Zambia, where he had gone on his first visit outside South Africa since his release from prison last month.

Mr. Mandela said that the ANC would respect South Africa's cultural diversity and would allow each community to run its own schools.

"We are aware of their fear, that blacks are going to try and wreak vengeance upon them, that liberation in South Africa will mean not only the end of white rule, but also the domination of whites by blacks," Mr. Mandela told a rally of about 10,000. "We deny this."

He said that Zimbabwe's efforts at reconciliation between blacks and whites, who surrendered minority rule in 1980, was an example for South Africa to follow. "Whites will not have to complain because the system of government we are bringing is intended to accommodate the aspirations of all South Africans," he said.

In his first comments on an ANC education policy, Mr. Mandela said, "We declare for common government schools, which will be nonracial, but that those who prefer to run their own schools to maintain their own cultural background will be entitled to do so."

He warned whites, however, against trying to reintroduce apartheid or a disguised form of white minority rule.

"That, of course, we will never permit," he said. "That will never happen again."

Mr. Mandela, 71, is expected to head an ANC delegation later this month in the first direct talks between Pretoria and the guerrilla movement it rejected for 30 years.

■ Sanctions 'Pause' Hinted

A congressional delegation that included the architects of U.S. sanctions against South Africa offered President Frederik W. de Klerk "a pause" in the campaign for further sanctions and words of praise for his initial efforts at change, United Press International reported Sunday from Cape Town.

"We are very encouraged that a real process of change has begun which holds enormous possibilities for negotiating a peaceful transition to a genuine nonracial democracy," said the delegation's leader, William H. Gray III, Democrat of Pennsylvania.

The nine-member group held talks Thursday with Mr. Mandela and other leaders of the ANC in Lusaka, Zambia, before flying to South Africa for meetings with Mr. de Klerk and other officials.

West Bank Settlers Seek to Lure Soviets

By Joel Brinkley
New York Times Service

MAALEH ADUMIM, Israeli-Occupied West Bank — Dozens of new one-bedroom, two-bedroom and three-bedroom houses are going up on the edge of this Jewish settlement, the largest in the West Bank.

"Garden views," says the billboard in front of the construction area. "The highest building standards."

After that, in bold letters, comes the promise that lured most of the settlement's 14,000 residents, including several dozen new Soviet immigrants: "Special loans and aid for residents from the Ministry of Building and Housing."

Nearly 13,000 Soviet Jews moved to Israel in 1989, and 10,300 more have arrived in the past two months. At least 100,000 are expected in 1990.

So far, only about 1.5 percent of these people have moved to settlements in the occupied West Bank, about 300 in all. But that is not because the settlers are not trying to lure them.

"Believe me, we are doing our utmost to bring them here," said Yisrael Harel, head of the West Bank settlers' council. "We are putting a lot of energy into it."

The Israeli government is cooperating in the effort, with large cash subsidies for new settlers, low-interest mortgages and essentially free land.

But even if the arrival of new Soviet émigrés in the occupied territories continues at a rate of only 1.5 percent, the total settlement population, now about 70,000, will still rise by more than 10 percent, given the government's estimate that half a million Soviet Jews will move to Israel in the next few years.

No political issue has caused Israel more problems in recent months than the question of settling Soviet Jews in the West Bank or Gaza Strip.

Prime Minister Yitzhak Shamir stirred a worldwide torrent of complaints in January, when he told a Likud party audience that, in his view, a "big Israel" was needed to accommodate all the new arrivals.

After that, he and nearly everyone else in government repeatedly vowed that it was not Israel's policy to direct Soviet Jews to the occupied territories and that it was up to the immigrants themselves to decide where to live.

But that has done little to quiet the storm. Arab anger over the prime minister's remark and the idea that new immigrants might be moving to occupied Arab land seems to be so sustained and deeply felt that on Friday the government ordered full military censorship of news articles about Soviet immigration.

[Israel said Sunday that it was censoring news reports about Soviet Jewish immigrants to protect them against Arab attacks and denied trying to muzzle criticism of their settlement in occupied territories, Reuters reported from Jerusalem.

["It is not our aim to use the censor for political purposes or for any reason other than security," Avi Pazner, media adviser to Mr. Shamir, said on Israel Radio. "There were a number of threats by terrorist organizations, Palestinian and otherwise, to strike at immigration, to strike at immigrants."

[Mr. Pazner said that Israel would bar only three elements from stories — how the Soviet immigrants traveled to Israel, their numbers, and the names of people dealing with the matter.]

There is little evidence to suggest that Israel is in fact making special efforts to push Soviet immigrants to the West Bank. Still, it is the government's policy to offer larger inducements, in most cases, to anyone moving to the West Bank or Gaza.

And while the government itself says it offers the new arrivals nothing more than neutral advice about where to live, the settlers' leaders have become eager, unabashed recruiters. The government sees nothing wrong with that.

"You can be sorry or not about it, but this is the framework of freedom of choice," Mr. Pazner said.

For the most part, the Soviet Jews are not ardent Zionists interested in promoting the idea of "greater Israel." They are people who left their homes in the Soviet Union with only a little money in their pockets.

"The main thing," said Grigorian Katzman, who moved to a West Bank settlement after arriving from the Soviet Union late last year, "is that I don't have to pay a lot of money for an apartment."

■ Condition for U.S. Aid

President George Bush has declared that U.S. aid to Israel will be influenced by whether Tel Aviv allows new settlements in the West Bank and Gaza Strip, The Associated Press reported from Rancho Mirage, California.

"We do not believe there should be new settlements in the West Bank or in East Jerusalem," Mr. Bush said Saturday.

The president had been asked about Secretary of State James A. Baker 3d's statement that U.S. aid to Israel would be conditioned on a halt to Jewish settlement of the Israeli-occupied territories.

In Riyadh, foreign ministers of the six-nation Gulf Cooperation Council met Sunday to discuss a call by Jordan for an emergency Arab summit meeting on Soviet Jewish immigration to Israel.

Libya and Sudan Move Toward Union

Reuters

KHARTOUM — Sudan and Libya have agreed to sign integration pacts to pave the way for a possible union in four years.

Such a merger would realize the long-held dream of the Libyan leader, Colonel Moammar Gadhafi, to unite his country with Africa's largest.

The Sudanese military leader, General Omar Hassan Ahmed Bashir, has said that the pacts would achieve political, economic and security integration between the two neighbors.

He told the Sudanese news agency SUNA of the merger plans after returning from a two-day visit to Libya, his third since June.

He said the proposed pacts provided for a joint supreme council, a joint ministerial body and a joint permanent secretariat.

"The proposal will be effective after its approval by the legislative bodies in both countries," he said.

He added that Libyan-style popular committees set up in Sudan last year would be upgraded to legislative bodies, to which the pact would be submitted for approval.

General Bashir dissolved the national legislature after seizing power in a coup in June.

He said Libyans would be allowed to visit Sudan without visas, a right that so far has been granted only to Egyptians.

Colonel Gadhafi has, over the past 12 years, made similar unity plans with Egypt, Morocco, Syria and Tunisia. These have quickly unraveled because of the colonel's inability to deliver on economic promises and because of his unpredictable behavior.

General Bashir has frequently called for the merger of his country, Libya and Egypt.

On Saturday, during a rally in the Libyan capital of Tripoli, General Bashir called for Arab unity from the Atlantic to the Gulf and said his junta would not rest until this was achieved.

Egypt has shown no interest in the general's unity calls. Last year it joined Iraq, Jordan and North Yemen in a regional association called the Arab Cooperation Council.

Diplomats in Khartoum said Sudan's need for economic and military aid from Libya may have been behind the merger announcement.

Army Coup in South Africa Homeland

Compiled by Our Staff From Dispatches

BISHO, South Africa — Army officers said they staged a bloodless coup Sunday in the nominally independent South African tribal homeland of Ciskei after a buildup of unrest following relaxation by Pretoria of some of its hard-line policies.

Brigadier Oupa J. Gqozo, a former military attaché to South Africa, announced over Radio Ciskei that the military had ended the government of President Lennox Sebe, who ruled in the territory since it received independent status from South Africa in 1981.

Brigadier Gqozo said several cabinet ministers and three top army officers, including the son of the deposed president, had been arrested, but that no one was injured in the 4 A.M. coup.

Mr. Sebe was in Hong Kong on a trade mission, according to his aides.

Hundreds of Ciskei residents took to the streets of the capital, Bisho, in an impromptu celebration after Brigadier Gqozo announced the takeover.

There were a few roadblocks and soldiers guarded some government installations, including the radio station and cabinet ministers' houses. The presidential palace was deserted, with its doors standing open.

Brigadier Gqozo said he and three other officers had formed an executive committee for a Council of State to run the government, with civilian help, "until a society based on democratic principle can be established."

He said that the constitution had been suspended, but that the judiciary and other government departments would continue to function.

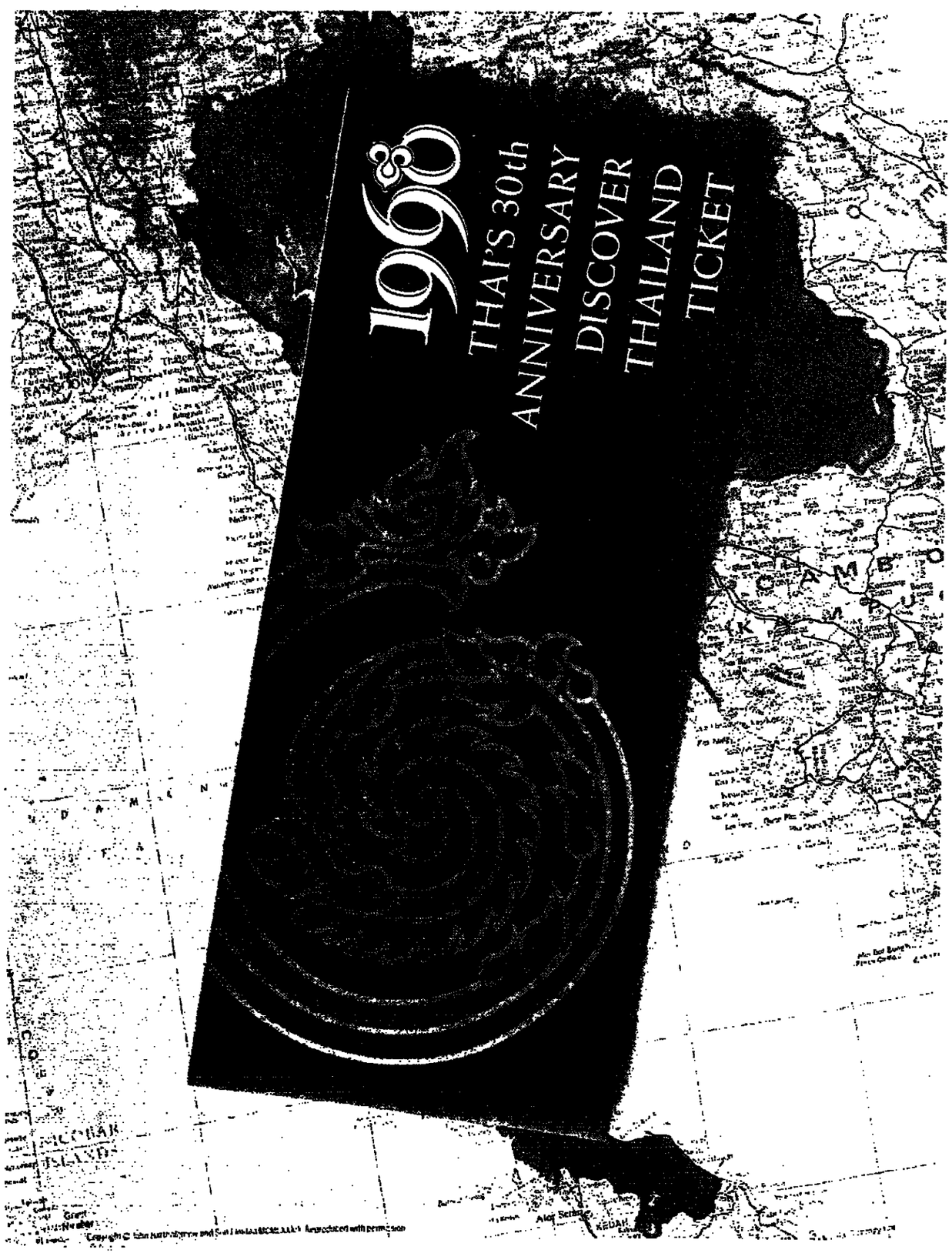
Brigadier Gqozo said security forces, including the police and prison service officers, supported the new Council of State.

He said he and his colleagues had decided to take over the government after repeated pleas from the Ciskei people.

Ciskei, which borders on South Africa's eastern Cape Province, is one of four territories to have accepted independence from Pretoria. Only South Africa recognizes the sovereignty of the 9,000-square-kilometer (3,600-square-mile) territory.

Tension has been rising since President Frederik W. de Klerk of South Africa lifted the ban on the African National Congress and freed the ANC leader Nelson Mandela last month. ANC activists had called for Mr. Sebe's resignation and the reincorporation of the homeland into South Africa.

Anti-apartheid activists said 10 people were killed and 22 injured in Ciskei when the police fired on crowds celebrating Mr. Mandela's Feb. 11 release. *(Reuters, AFP, AP)*



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Economic 'Shock Therapy' Starts to Pay Off in Poland

By John Kifner
New York Times Service

WARSAW — Poland's pioneering economic "shock therapy" appears to be bearing some early results, ending black-market money changing, putting meat and other formerly scarce goods in the stores and even beginning to bring down high prices.

The economic plan, which went into effect at the beginning of January, is intended to make Poland the first East European nation to move from communism to capitalism. It depends on the simultaneous and sudden elimination of subsidies and of price controls and the closing of inefficient plants, stores and workshops throughout the economy.

The approach, which imposes considerable hardships and thus carries risks of setting off unrest, is being closely watched throughout the old Soviet bloc as a test of whether and how the battered economies can change.

Although the initial evidence indicates that markets are being formed and shaped by supply and demand rather than administrative fiat, there are still worries of dangers ahead, when more unprofitable factories are shut down and their employees join the growing numbers of the unemployed.

Under the Communist system, unemployment was technically illegal and for most people unthinkable.

The program of the Solidarity-led government rests on what are, for this part of the world, drastic free-market measures to transform a system in which, the popular saying went, "They pretend to pay us and we pretend to work."

But at the same time, the end of subsidies meant the disappearance of such comfortable guarantees as bread so cheap it was commonly used to feed pigs.

One place where the new free-market forces were at work was on the sidewalk in front of an official state grocery store in the Stuzewiec district on the southern fringe of the capital, where on a recent afternoon hundreds of shoppers were crowding about to buy fresh meat, sausage, butter, sugar and coffee. In the not too distant past, inquiries for these goods in stores notable for their bare shelves would bring the response *"nie ma,"* or "we don't have any."

The merchandise was being sold from more than 20 trucks, private cars and even upturned cartons on the sidewalk, clustered about an old sign in front of the government store proclaiming, "It is forbidden to sell around this building."

In the new order, this injunction no longer holds. Indeed, what is going on here is precisely the kind of capitalist initiative and competition that Finance Minister Leszek Balcerowicz and other officials hope will bring prices down and renew the economy.

Since rationing was removed last fall, meat, once seldom seen, has been commonplace in stores here. But in addition, farmers from the countryside have been setting up their own shops in the backs of trucks, cutting up the fresh meat on the spot.

Once, such trade was strictly illegal, although well-connected Poles knew a "veal lady" and a trail of blood on the steps to an apartment meant not an ax murder, but a dinner party.

In addition, the ability to legally change money in dollars, coupled with easier access to West Germany, has enabled Polish entrepreneurs to drive over the border, buy van loads of fresh fruit and other delicacies wholesale and bring them back for sale.

Thus in a country where the upper reaches of the *nomenklatura*, the Communist elite, were once known as "banana people," because only they had them, shops all around the city now display not only bananas, but fresh oranges and even kiwis.

"I'm far from total optimism, but there is a chance that we can muddle through," said Andrzej Wroblewski, the editor of Gazeta Bankowa, the new leading economic newspaper.

"In four years, if all goes well, we could be like a poor European society, like the Portuguese or like Greece," he said, "but without that dark cloud hanging over us that everything is about to collapse."

"Everything is new, except 'nie ma' is still around," he said. "We are building capitalism. Hopefully we will do it better than we built socialism."

The first task was to devalue the currency, the zloty, to a realistic figure, eliminating the bands of opportunists around hotels frequented by foreigners who would change hard currency for much more than the official value. In December, the rate on the street was 12,000 to 13,000 zlotys for one dollar, about four times the official rate.

The zloty is now valued at 9,500 to the dollar, and there are only a few black-market changers left hanging around the new official exchanges and offering a few hundred more. But there are not many takers.

A major aim of the legitimized dollar exchange is to tap into the "mattress money," a huge stash of dollars held by Poles — estimated at as much as $3 billion to $6 billion — which has had little legitimate place in the economy.

But the critical part of Mr. Balcerowicz's medicine, devised with the help of Jeffrey Sachs, a Harvard economist, involves creating a "demand barrier" in which people no longer buy, thus forcing prices down.

In early January, skyrocketing prices brought protests. Tires rose 60 percent in one day and more than 17,000 car owners were reported to have turned in their license plates, saying they could not afford to drive.

But such is the general support for the Solidarity-led government that there have been no strikes thus far.

Ukrainians Phasing Out Chernobyl

By David Remnick
Washington Post Service

MOSCOW — The Chernobyl Atomic Energy Station, where an explosion and fire in April 1986 led to the world's worst nuclear accident, will be phased out of operation over the next five years and closed completely, the government of the Ukraine has announced.

In a resolution published in the republic's official press, the Ukrainian Supreme Soviet also said it would stop building atomic power plants.

It is unclear, however, whether the Ukrainian legislature has final authority over the Chernobyl plant.

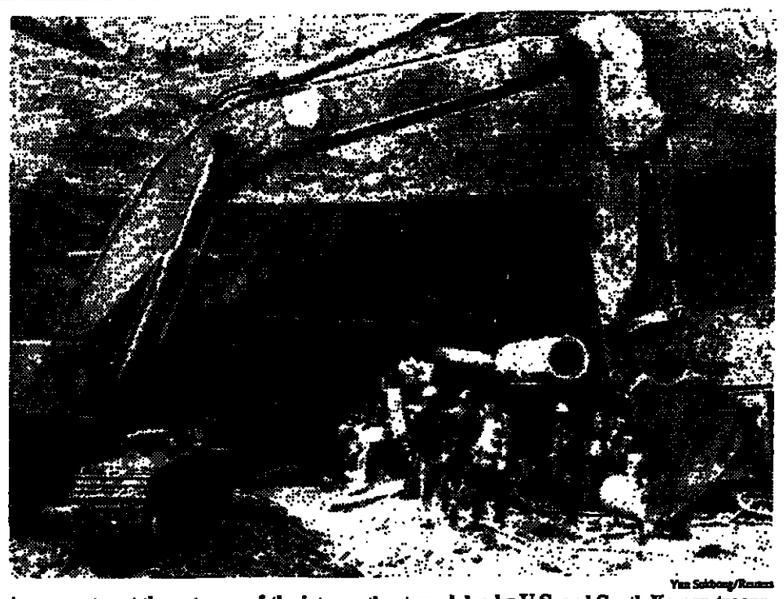
In the past, Moscow has had final say over such decisions but, as power continues to shift gradually from the Kremlin to the legislatures of the republics, many people in Kiev, the Ukrainian capital, believe that Moscow will let the Ukrainian decision stand.

The Chernobyl accident, which led to at least 31 deaths and hundreds of cases of radiation sickness, remains a powerful issue in the Ukraine and Byelorussia and was a major campaign issue in Sunday's local elections. Candidates from the independent group Rukh and the ecological group Green World have made Chernobyl, where three of the four reactors still are in operation, a target in speeches and leaflets.

Legislators maintain that officials have conspired since 1986 in a "massive cover-up," hiding evidence from the local population that radiation levels continue to remain high in heavily populated areas such as Gomel and Zhitomir. They claim that although there have been efforts to "entomb" damaged Reactor No. 4 with concrete, the other reactors on the Chernobyl site also are dangerous, despite recent design improvements.

Until now, authorities in Moscow and the Ukraine have resisted closing the Chernobyl station, saying it would cause energy shortages in the region and would lead to the failure to fulfill contracts for power from East European countries.

The Soviet Union, under pressure from the growing environmental movement here, has shut down nuclear power plants in Armenia, the Crimea and some Russian cities.



Yun Suk-bong/Reuters

An excavator at the entrance of the interception tunnel dug by U.S. and South Korean troops.

Seoul Unearths a 4th Tunnel

New York Times Service

SEOUL — After grinding through hundreds of feet of granite, engineers finally reached a tunnel that military officials said had been built by North Korea for a surprise invasion of South Korea.

The tunnel, large enough for three people to walk abreast, was found in hills 80 miles (130 kilometers) northeast of Seoul, officials announced Saturday. It was the fourth tunnel discovered in the demilitarized zone, but the first since 1978.

"There is specific physical evidence that the tunnel was dug from north to south and that it is not a natural cavity," Brigadier General James Grant, chief of intelligence for U.S. forces in South Korea, said at a news conference. "There is evidence to suggest it is a North Korean tunnel dug through the DMZ."

[A mine exploded Sunday while soldiers were exploring the tunnel, killing a sentry dog but causing no other casualties, military officials told The Associated Press in Seoul. The mine, believed to be a booby trap, exploded after soldiers sent the dog ahead and had groped their way about 2,000 feet (600 meters) north through the tunnel, Defense Ministry officials said.]

The discovery of the tunnel, at more than 1,000 feet the deepest found yet, is expected to heighten the war of words between North and South Korea, which are already engaged in a debate over the presence of anti-tank barriers on both sides of the border.

North Korea has charged that South Korea's barriers restrict travel between the two sides. Pyongyang has suspended all discussions with Seoul to protest the annual U.S.-South Korea military exercises being held this month, and it withdrew Saturday from an arms control conference with South Korean scholars that had been planned for the end of March at Stanford University in California.

The South Korean defense minister, Lee Sang Hoon, said the tunnel was "an intolerable act of aggression" and a serious violation of the 1953 agreement that ended the Korean War.

In the 1970s, defectors said that President Kim Il Sung of North Korea had ordered 10 army divisions to build two tunnels each to prepare for an invasion.

Tunnels were found in 1974, 1975 and 1978. U.S. and South Korean officials estimate that there are 15 to 20 tunnels that have not been discovered.

U.S.-Korean teams working in the eastern sector of the demilitarized zone found the latest tunnel on Dec. 24 near Heartbreak Ridge, the site of a Korean War battle, officials said.

They drilled a vertical hole and inserted a miniature video camera into the cavity. A crew using a tunneling machine then ground through granite to make an interception tunnel large enough to walk through.

Military officials said the tunnel was at least a mile and quarter long and extended 4,000 feet into South Korea.

A South Korean military intelligence officer said he believed that tunnel construction had continued through the mid-1980s, after the first three tunnels were discovered, but ended when North Korea had completed enough tunnels to start an invasion and decided not to risk being caught.

Mongolian Protest Calls For Party Resignations

Reuters

BEIJING — Thousands of protesters marched on the Mongolian parliament Sunday in Ulan Bator, the capital, to demand sweeping resignations in the Communist Party, witnesses said.

The government said it would reply to the demands by Wednesday, they said.

Residents of the Mongolian capital contacted by telephone said the pro-democracy demonstrators delivered a petition to a senior official demanding the resignations as well as an emergency session of parliament this month.

"They demanded that the government reply to their petition by Wednesday noon or protesters would go on hunger strike," said a Western resident in the Mongolian capital.

The ultimatum was delivered by four loosely-allied opposition groups campaigning for an end to Mongolia's 69-year-old Communist system.

The rally was the seventh in Ulan Bator since the first opposition group, the Mongolian Democratic Association, was formed last December.

"There were about 20,000 people out there, marching with banners," a resident said.

The East German news agency ADN, monitored in East Berlin, said that about 40,000 people demonstrated in Ulan Bator's Sucho-Bator square. Estimates of numbers at previous rallies have varied, but none have topped 10,000.

The Mongolian Democratic Association held a congress two weeks ago to proclaim itself as the country's first opposition party, called the Mongolian Democratic Party.

The party was swiftly acknowledged by government leaders in what one Foreign Ministry official called "de facto recognition."

The congress elected 610 delegates to petition the government for the resignation of 250 top Communist officials, including the Central Committee and the parliamentary Council of Ministers.

Marching alongside members of the Mongolian Democratic Party were three newly formed groups. All demand a multiparty system.

20 Are Killed as Troops Crush Philippine Revolt

By Sheila S. Coronel
New York Times Service

MANILA — Government troops crushed an uprising Sunday by a dissident governor and hundreds of armed followers who seized hostages and a hotel in Tuguegarao, the capital of Cagayan Province, about 250 miles north of here. At least 20 persons, including a general taken hostage, were killed in the fighting.

Brigadier General Oscar Florendo was shot to death in the lobby of the Hotel Delfino, hours after he was taken hostage by Rodolfo Aguinaldo, a former colonel and suspended governor who is accused of supporting a coup attempt against President Corazon C. Aquino in December.

Mr. Aguinaldo, whom officials accuse in the death of General Florendo, escaped, but they said that about 200 of his followers had surrendered.

The armed forces chief of staff, General Renato de Villa, placed the military on nationwide alert and ordered the capture of Mr. Aguinaldo "at all costs."

General Florendo, head of the armed forces civil relations service, had flown to Tuguegarao with civilian and military officials to serve an arrest warrant on Mr. Aguinaldo, who was charged last week with rebellion and murder.

Mr. Aguinaldo was the Cagayan Province governor until he was suspended in January for supporting the coup attempt. On Tuesday, he was charged with rebellion and murder in a Manila court.

After refusing to surrender to government authorities, he and about 200 followers, mostly tribesmen and former Communist guerrillas he trained for a paramilitary unit, holed up in Gattaran, 45 miles (75 kilometers) north of the provincial capital.

At dawn on Sunday, as government troops prepared to assault their mountain hideout, the suspended governor and his men moved toward the capital in a convoy of vehicles. They encountered General Florendo and three aides in downtown Tuguegarao and took them hostage.

Then they stormed the hotel where military and government officials, including a member of the cabinet, were staying. They also closed down two radio stations.

Government tanks and troops, including three special battalions flown in from Manila, ringed the hotel. After a standoff of several hours, they engaged Mr. Aguinaldo and his men in a four-hour gun battle during which General Florendo and 19 others were killed and scores were wounded.

Military officials said some 200 of Mr. Aguinaldo's men surrendered but scores more were holding civilians hostage.

President Corazon C. Aquino condemned General Florendo's killing as "an act of cowardice and treachery."

KAIFU: *Is He Able to Deliver? Washington Wonders*

(Continued from page 1)

ing statement, Mr. Bush said: "Make no mistake about it. I want to see that deficit come down, not by restricting our markets or managing trade, but by further increasing our exports to Japan."

A year ago, acting under a provision of the 1988 Omnibus Trade Act, the Bush administration threatened retaliation after Japan restricted imports of American satellites, supercomputers and forest products. As an outgrowth of those complaints, the United States proposed talks called the Structural Impediments Initiative to address more fundamental elements of economic imbalance on both sides of the Pacific.

It was an apparent breakdown of those talks in recent weeks that impelled Mr. Bush, sources said, to invite Mr. Kaifu, on only a week's notice, to Washington this weekend.

The goals of the Structural Impediments Initiative call for basic changes on both sides of the Pacific that are admittedly hard to make. The U.S. list targets Japan's high savings rate, its complex distribution system favoring "mom and pop" stores — which effectively keeps out large foreign discounters — and a land-use policy that favors farmers and keeps housing prices extraordinarily high.

The Japanese demands on America seem equally intractable: a change in the low U.S. savings rate, greater emphasis on investment rather than consumption and an improved educational system.

Nonetheless, at the end of a weekend in the brilliant sunshine of Palm Springs, American officials seemed buoyed by what they interpreted as Mr. Kaifu's genuine willingness to make some changes. "We got everything out of this meeting we had hoped for," Mr. Bush said.

A Japanese spokesman had difficulty citing what, exactly, his side could take home from the talks, other than the continuing warm relationship developing between "George" and "Toshiki, my friend." Mr. Kaifu, relatively unknown before he was chosen to "cleanse" the Liberal Democratic Party of the taint of scandal, is eager to establish his hold as prime minister.

Although the two leaders' closing statements stressed the positive, or global, aspect of the talks, Japanese officials were eager to make it clear that even here, "we have our own agenda."

Specifically, from the Japanese point of view, the Soviet military threat has not been diminished as completely as its seems to have been from the European perspective. As Japan looks west and north, it still sees a heavily armed nuclear power and wants to remain strong against that threat.

For that reason, Mr. Kaifu welcomed Mr. Bush's assertion that the United States remained a Pacific as well as an Atlantic power.

Talks Disappoint U.S. Legislator

The Associated Press

WASHINGTON — The House Democratic leader, Richard A. Gephardt, expressed disappointment Sunday that President George Bush's meeting with Prime Minister Toshiki Kaifu produced no specifics on improving the two countries' trade relationship.

But Mr. Gephardt, a Missouri Democrat, said that before moving to impose trade sanctions against Japan, Congress would wait until summer to see whether the two leaders' pledges to work toward resolving the disputes bore fruit.

Mr. Gephardt has been a vocal advocate of strong retaliatory measures against Japan. "How many of these press conferences have we seen over the past 10 years?" he asked on the NBC television network. "What you never hear is a specific goal."

ISRAEL: *Likud Rebels Over Talks*

(Continued from page 1)

jected any role in the talks for the Palestine Liberation Organization and any negotiations on Jerusalem, Israel's declared eternal capital.

In a veiled criticism of Washington, Mr. Shamir said, "No nation can ask of us concessions and sacrifices that they would never make if their own security was at stake."

Transport Minister Moshe Katsav, a Likud moderate who is regarded as being close to Mr. Shamir, also criticized Washington.

"With all due respect to the United States, we don't decide the fate of our country under pressure," he said. "The discussion might start this week, but it certainly will not end."

Change in Plan Weighed

Joel Brinkley of The New York Times reported earlier from Jerusalem:

Mr. Shamir is weighing a modification of the U.S. proposal for the peace talks, according to an Israeli television report.

The change would have Mr. Shamir tacitly accept the participation of Palestinians deported from the occupied territories and even of some living in Arab East Jerusalem.

Previously, the Israeli leader had rejected to the participation of any Palestinians except those living in the West Bank or Gaza Strip.

According to the report Saturday night, a proposal by the U.S. secretary of state, James A. Baker 3d, would require Mr. Shamir simply to agree to talks with Palestinians registered as residents of the occupied territories. Upon such acceptance, Mr. Baker would meet with the Israeli and Egyptian foreign ministers and approve the Palestinian delegates on a name-by-name basis.

Mr. Shamir met Saturday night with ministers from the Likud party with the intention of devising an answer to demands from the Labor Party and officials from the United States that he immediately accept the U.S. conditions for moving the peace plan forward.

That meeting had not yet ended when the government-controlled and usually well-informed television network reported Mr. Shamir's moves.

Foreign Minister Moshe Arens recently met with Mr. Baker and returned to Israel with a series of specific questions that Mr. Baker had framed for Mr. Shamir.

As reported by Israeli television, the American questions were carefully phrased to enable Mr. Shamir to give a generally positive response without committing himself to points he finds politically difficult to accept.

Mr. Baker had made it clear in recent days that U.S. patience with the Israeli delay regarding his proposal was running out.

SOVIET: *3 Republics Vote*

(Continued from page 1)

ture, was reported far ahead in his contest to represent Sverdlovsk in the Russian parliament, a post he hopes to parlay into the presidency of the largest republic.

At polling places in Moscow, voters interviewed Sunday seemed nearly unanimous in their desire to remove the vast Communist "partocracy," which they blame for keeping the country in impoverished servitude. But many were bewildered about whom to trust.

"If you don't know much about the candidates, you look at what they do," explained Svetlana Popova, a programming engineer, as she emerged from a schoolhouse polling place in southern Moscow. "If it's the secretary of a party committee or the director of some bureaucracy, you scratch out the name right away."

She was voting down the line for the slate endorsed by an alliance called Democratic Russia, which promises to goad Mr. Gorbachev toward full democracy and a market economy.

"All the others are compromised in our eyes," said Marina Prutkova, a military officer's wife, who was interviewed in northern Moscow.

"Look around you," she said. "Materially, we have empty shelves and morally we have dishonesty and hypocrisy."

A year ago competition was introduced in elections of the Soviet legislature, and voters enthusiastically used the opportunity to rout many party regulars.

■ Clashes in Uzbekistan

Security forces sealed off a city near Tashkent, the capital of Uzbekistan, on Sunday following ethnic clashes in which at least one person was killed, The Associated Press reported from Moscow, quoting a local activist.

Yadigar Abidov, a spokesman for the Uzbekistan grass-roots organization Berlik, said soldiers surrounded the city of Parkent, where clashes erupted Saturday, and would let no one leave or enter.

GERMANY: *Rightists Push Kohl*

(Continued from page 1)

Germany arising from World War II.

Mr. Czaja said a reunified Germany could not give up the 104,000 square kilometers (40,000 square miles) of German territory the Allies ceded to Warsaw.

"The German lands on the other side of the Oder-Neisse line are not a political football for the coalition," Bunte magazine quoted him as saying.

He said his organization, which has vowed to file for billions of Deutsche marks in reparations if the Oder-Neisse line is recognized, would appeal to West Germany's Supreme Court if Bonn gave any border guarantee.

Foreign reaction to the border issue continued to build over the weekend.

In Washington, the chairman of the Senate Foreign Relations Committee called Sunday for a united Germany to give "unequivocal recognition" of the border with Poland as a condition of ending U.S. occupation rights. Senator Claiborne Pell, a Rhode Island Democrat, said his committee would consider a resolution Tuesday that Mr. Kohl has failed to "provide unambiguous assurances" that a reunified Germany would recognize the permanence of the border.

Mr. Kohl's refusal to give a guarantee has also angered France, Bonn's closest ally in Europe, which openly criticized him last week.

Polish leaders, including President Wojciech Jaruzelski, Prime Minister Tadeusz Mazowiecki and Foreign Minister Krzysztof Skubiszewski, will arrive in France on Friday to discuss the border issue with President François Mitterrand.

(Reuters, UPI)

JAKARTA: *Ethnic Rivalries*

(Continued from page 1)

Suharto cannot find the right balance between economic growth and social equity."

Many of Mr. Suharto's children and relatives have built up extensive business interests, often with Chinese entrepreneurs.

Presidential elections are scheduled for 1993, and the debate over conglomerates is seen as one of the first shots in an intensifying campaign to induce Mr. Suharto to make this his last term in office.

"The debate is more political than economic in nature," said the head of a Jakarta management firm.

He said state enterprises and foreign investors were not targets for criticism.

"It is not an anti-big-business campaign across the board," he added. "But there is a strong feeling that these big groups, whether owned by Chinese or indigenous Indonesians, became big because of privileges granted by the government on a discriminatory basis."

In an effort to defuse criticism, the government said development spending in the budget for the fiscal year starting April 1 would grow 23 percent, to $9 billion. Most of the money is earmarked for the relatively neglected eastern half of the Indonesian archipelago.

All Indonesian-owned banks have been instructed to devote at least 20 percent of their credits to small businesses by January 1991.

Mr. Suharto also appealed to big companies to help develop cooperatives by selling as much as 25 percent of their shares to the cooperatives using soft loans, which could be repaid from share dividends.

There are some 34,000 cooperatives operating mainly in the countryside.

INVITATION TO BID

1. The Government of the Republic of Ghana has received a loan from The Arab Bank for Economic Development in Africa (BADEA) in the United States Dollars towards the cost of rehabilitating Gliksten (West Africa) Ltd. (GWA) and it is intended that part of the proceeds of this loan will be applied to eligible payments under the contract for the supply of forestry equipment and materials.

2. The National Investment Bank in conjunction with Gliksten (West Africa) Ltd. now invites sealed bids for the supply of the under listed equipment and materials:

CATEGORY N°		ITEMS TO BE FURNISHED
1.		One (1) Unit Bulldozer
2.		One (1) Unit Log Loader
3.		One (1) Unit Straddle Truck Carrier
4.		One (1) Unit Tractor
5.	(A)	Five (5) Units Pick-up Vehicle
	(B)	Two (2) Units Station Wagon Vehicle
6.		Two (2) Units Double Cabin Pick-up Vehicle
7.		One (1) Unit Mini-Bus Vehicle
8.	(A)	One (1) Unit Haulage Truck Short Chassis
	(B)	Two (2) Units Haulage Trucks Long Chassis
9.		Six (6) Unit Logging Tractors (without Trailers)
10.		Fourteen (14) Units Logging Truck Trailer
11.		Spares and accessories for Steam Generator and Plymill
12.		Workshop Equipment and Tools

3. Interested eligible bidders may obtain further information from and inspect the bidding documents at the Legal Department of the National Investment Bank, Room 205, Kwame Nkrumah Avenue, P.O. Box 3726, Accra, Ghana.

4. A complete set of bidding documents may be purchased by any interested eligible bidder on submission of a written application to the above and upon payment of non-refundable fee of two hundred United States Dollars (USD200.00) or its equivalent in a freely convertible currency.

5. All bids must be accompanied by a bid bond or Bank guarantee in United States Dollars (USD) or its equivalent in a freely convertible currency of Ten Percentum (10%) of the bid amount and must be delivered to the Office, National Investment Bank, Accra on or before Tuesday, 17th April 1990, by 09:00 hrs. (9 a.m. local time).

ACROSS

1 Recedes
5 New York and Boston
10 Soothing substance
14 Depend (on)
15 In progress
16 Sheltered, as a sailor
17 Bridge feat
18 With nary a sou
20 Tail on many a list
21 Like some cars
22 Halt
23 Actress Black
25 Barrie pirate
26 Tried out
28 Purified
32 Like a flophouse
33 Loan follower
34 Uno, due, ——
35 Contest, Greek style
36 Oceans and seas
37 Kind of camp
38 Kingsley's "—— in White"
39 Toilers in Ivanhoe's day
40 Tout le —— (everybody)
41 Land and buildings
43 Life work
44 Pride of Pindar
45 Supreme Being of Islam
48 Stiff-drink follower
49 Matinee ——
50 Christian or Caesarean
53 Storm pellets
55 Obstruction
56 Assistant
57 Run away to wed
58 Monster
59 London trolley
60 Depressions
61 Garden interloper

DOWN

1 Gaelic
2 Strap
3 Legal authority 1723-80
4 Prefix for metrical
5 Made no bid
6 Frequently
7 Cross
8 Heavy weight
9 Certain ships
10 Sterile
11 Tub plant
12 Albanian coins
13 Convene
19 Period between sessions
21 Nobelist in Chemistry: 1934
24 Letter abbr.
25 Cuffs
26 Hobo
27 Avid
28 Kitchen mavens
29 Salisbury Plain monument
30 Wear away
31 Hold back
33 Ancient Chinese
36 Like a ghost town
37 Cold Adriatic wind
39 Opponents
40 Shopping center
42 Mussulman
43 Shuts
45 Handy
46 Friendly talk
47 Head covering
48 Radamès's beloved
49 Privy to
51 Unusual
52 Describing nonagenarians
54 Bullring cry
55 Female pig

Solution to Friday's Puzzle

S	E	A	M		A	P	S	I	S		T	R	A	M
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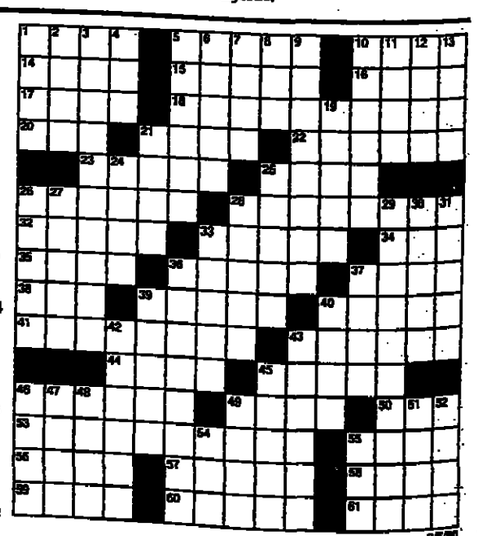

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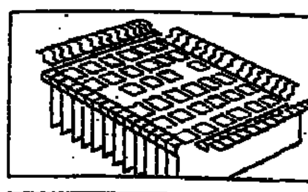
RATES

Week's Markets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Herald International Tribune.
BUSINESS/FINANCE
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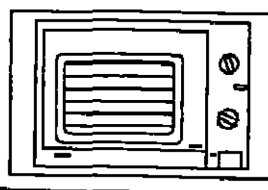
MONDAY, MARCH 5, 1990


TO MICROWAVES
In Touch with Tomorrow
TOSHIBA

EUROBONDS

Strong National Markets Steal Eurobond Thunder

By Carl Gewirtz
International Herald Tribune

PARIS — Bad news for all sectors of the Euromarket: the sharp slowdown in activity this year may be more than just a cyclical pause. According to the Organization for Economic Cooperation and Development, the international financial market — for decades the frontier of financial innovation — "may be the victim of its own success" and losing ground to domestic markets that were forced to deregulate and liberalize in order to compete.

Traditionally, the Euromarket "held a great advantage over domestic markets which were more regulated, less liquid and less competitive," the OECD noted in its February edition of Financial Market Trends.

"However, the securities markets of the OECD countries have undergone a great expansion and liberalization in the 1980s and hence with increasing frequency borrowers are asking what advantages are to be gained from dealing in the Euromarket."

Borrowers ask what advantages are gained in the Euromarket.

The study observes that the market's core business has been large sovereign or public-sector borrowers who now either have lost access to the credit market because of financial difficulties or who no longer need to tap the Euromarket, either because their financing needs are reduced or because more efficient domestic markets enable them to raise money at home.

The financing needs of other creditworthy countries in Asia such as South Korea, Taiwan, Thailand and Malaysia increasingly are met through direct investment inflows.

As for top-rated corporate borrowers, they "have ample opportunities to shift their financing among domestic and international markets in search of the most competitive terms." For the most part, lesser-rated corporate borrowers "still rely on domestic markets."

As a result, the OECD sees the Euromarket as becoming a residual market "providing a link among the national financial markets and serving as a source of information about new techniques and new borrowers."

THE OECD REPORT ADDS: "This might suggest that with new developments in some sectors of the world economy — economic reform in Eastern Europe, the unification of EC financial markets after 1992 — there might be potential for a continuing flow of new financial innovations to sustain growth in some sectors of the international capital markets."

While growth in the international market has been confined to areas where new techniques of borrowing have merged, the study notes that "competition for the most desirable business has become intense with the result that profitability of financial intermediaries has remained under pressure.

"This may suggest that there are more firms seeking to be active in the market than the market can sustain in the long run."

The report also notes how reliant the Eurobond market has become on Japanese borrowers. Last year, they accounted for 87 percent of the $11.6 billion raised through the sale of convertible bonds and 97 percent of the $67 billion raised via the sale of bonds with equity warrants.

Overall, "Japanese corporate borrowers have emerged as the main expansionary force" in the international bond market with total borrowings nearly doubling to $98 billion — accounting for 39 percent of total new issues valued at $253.9 billion.

Given this dependence on the Japanese, the market received good news last week that the Japanese government intends to change the law limiting the amount of straight debt and warrant bonds that companies can issue. The change would enable companies to issue twice as many warrant bonds than now allowed, although it still remains unclear how much of this business will in future be issued domestically rather than in the international market.

The distant competitors to the Japanese for market share, the OECD report showed, were British borrowers, who raised $21.4 billion, giving them a market share of 8 percent, followed by American borrowers with $14.7 billion and a market share of 6 percent.

More telling, given the OECD's gloomy prognosis for the market, are figures showing how nearly ever major OECD country has significantly reduced its reliance on the market. Total bond-market borrowing by the French and Australians was down 22 percent in each case last year from 1988. British borrowings dropped 20 percent, U.S. activity fell 17 percent and Canadian dealings were off 5 percent.

Denmark, which has also reduced its reliance on the market, made an appearance last week under the direction of J.P. Morgan

See EURO, Page 9

Beijing To Ease Austerity

China Seeks End To Slow Growth

Compiled by Our Staff From Dispatches

BEIJING — China plans to take immediate steps to ease its 16-month-old austerity program in an effort to revive the flagging economy, according to the prime minister, Li Peng.

Mr. Li told a State Council meeting that China must "put an end to sluggish growth by the end of June," the official Xinhua news agency reported Saturday.

To meet that goal, he said, China will immediately undertake a series of steps, including more funding for major capital-spending projects and interest-rate changes on loans to stimulate the economy.

"At present, the slumping market and the shortage of funds are the two major problems affecting the development of industrial production," Mr. Li said.

While he set June as the target for an economic turnaround, Mr. Li said industrial production must begin to rise as quickly as this month.

China curbed credit and halted thousands of capital-spending projects in October 1988 as advocates of central economic planning, including Mr. Li, put the brake on inflation and overheated growth that had been stimulated by liberal reformers such as Zhao Ziyang, the deposed Communist Party general secretary.

By December last year, price inflation was down to 6.4 percent, but the austerity program has hit growth hard.

Gross national product, the value of all goods and services, rose only 3.8 percent last year after an 11.2 percent gain in 1988. Industrial output in January this year slid 6.1 percent from a year ago for the biggest monthly drop in a decade.

Hardest hit in the slowdown have been rural and collectively owned industries, many of them export-oriented, which had spearheaded the heady growth levels of 1988, and thousands of Chinese have found themselves jobless as a result.

Some foreign analysts had warned that China was heading into deep recession because of the severity of what Beijing calls "the period of economic rectification."

Mr. Li spoke in broad terms, giving few specifics of the government's plans. He mentioned "appropriately increasing funds in circulation and loans for investment on major projects of construction and technical renovation."

China's major banks began to ease credit in the final quarter of last year. The People's Bank of China granted 125.1 billion yuan ($26.5 billion) in loans in the final quarter of 1989, dwarfing the 60.1 billion yuan it lent in the first three quarters. (AFP, Reuters)

For a Boston Bank, the Pillory

Ailing Institution Seen as Example Of Sector's Ills

By Jerry Knight
Washington Post Service

BOSTON — They used to burn witches hereabouts and throw even minor miscreants into the stocks, in the belief that conspicuous punishment was the most effective deterrent to deviation from the norm.

Judgment just as public and puritanical is being imposed by federal regulators on one of Boston's most venerable financial institutions, the 150-year-old Bank of New England.

Since a platoon of government bank examiners marched in a few weeks ago and uncovered more than $1.6 billion in bad real estate loans, the bank has been visibly teetering on the brink of failure, held up only by a federal lifeline that is more like a noose.

Under the lash of federal regulators, the bank has been forced to fire its top executive, stop paying dividends to its shareholders, curtail all new commercial real estate lending, dispose of almost one-sixth of its assets and put some of its most profitable operations up for sale.

What was, only last Christmas, the second-biggest banking company in New England, with $31 billion in assets, is now down to $26 billion and still shrinking. Bank of New England stock, worth $25 a share last year, has plunged to $4.50.

After the examination, the embarrassed bank was forced to disclose that it had a loss of $1.1 billion last year but didn't know when it lost it. Bank of New England had reported profits for the first nine months of 1989, but the regulators said all the bad loans did not suddenly go sour in the last quarter, so the earlier financial reports have to be reviewed and revised.

Last Thursday, the Federal Reserve Board and the Office of the Comptroller of the Currency slapped the bank and its holding company with a pair of massive "cease and desist orders" that all but deposed the management. The orders give the government the right to veto the choice of a new chief executive and to approve in advance a variety of business transactions.

Usually the travails of troubled financial institutions are kept under wraps by mutual agreement of regulators and management in an effort to avoid shaking public confidence, but the Bank of New England drama has become a public spectacle that Boston bankers complain is damaging not only that bank but others in New England as well.

Bank of New England's troubles are raising questions about how regulators handle problems at banks that are 'too big to fail.'

The intense exposure of Bank of New England's problems is also raising other questions about how federal regulators handle problems at banks that are regarded as "too big to fail" because of fear their failure might set off bank runs and damage other financial institutions.

When small banks go broke, the government shuts them down and the Federal Deposit Insurance Corp. pays off accounts of up to $100,000. With the biggest banks, however, the government arranges bailouts that protect not only insured depositors but also the corporations and other banks that have multimillion-dollar accounts.

As one of the 25 largest bank holding companies in the United States, Bank of New England clearly qualifies as "too big to fail."

But the "too big to fail" doctrine itself is facing increasing skepticism in Congress, where the savings-and-loan scandal has prompted demands for deposit-insurance reform. Even supporters of the doctrine admit that special treatment of big banks is unfair to small banks and their customers.

On Friday, the American Bankers Association, the influential industry trade group, called on the government to abandon the "too big to fail" concept and adopt a policy of shutting down any bank that becomes insolvent and immediately paying off all creditors.

Deposits of up to $100,000 would be paid in full. Uninsured deposits and unsecured creditors would be paid based on the historical average loss suffered in bank failures, currently about 88 cents on the dollar. Making creditors and uninsured depositors bear some of the cost of failure would force them to be more cautious in doing business with troubled banks.

The rival Independent Bankers Association of America, however, is pushing the opposite approach: Insure all depositors.

That deposit-insurance debate is influencing the way the Bank of New England's troubles are being handled, some Washington banking experts say. They speculate that regulators may be sending the message that even though they have no choice but to bail out Bank of New England, they are going to make the rescue as unpleasant as possible.

Top Oil States Proclaim Unity But Still Haggle

Reuters

DUBAI — The three major Gulf oil producers, Saudi Arabia, Kuwait and Iraq are still haggling over short-term issues despite a show of unity over the weekend on prices and output policy, oil analysts in the Gulf said on Sunday.

Oil ministers of the three states met in Kuwait on Saturday and a statement afterward said that they had agreed completely on the need to support resolutions by the Organization of Petroleum Exporting Countries. The statement did not mention what price level they supported.

But shortly after the meeting, Saudi Arabia's oil minister, Hisham Nazer, paid a surprise visit to Baghdad as a personal envoy of King Fahd to Iraq's president, Saddam Hussein.

Analysts said that the sudden visit was part of an attempt to resolve differences among the three nations that threatened to persist during the 13-member group's next market-monitoring committee meeting, scheduled for March 16 in Vienna.

Gulf oil officials and analysts said on Saturday that Saudi Arabia, OPEC's main producer, had sided with Iraq against Kuwait in seeking higher oil prices.

"Iraq is facing difficulty in selling crude, so it wants to compensate with higher prices," one analyst said.

Saudi Arabia and Iraq also wanted Kuwait to abide by its quota of 1.5 million barrels a day, the analysts said.

"The Saudi position is that they stick to their OPEC quota and expect others to do likewise," a Gulf oil official who is close to the Saudi government said on Saturday.

Kuwait does not want oil prices to exceed OPEC's reference price of $18 per barrel, so its European retail outlets can sell more, the sources said.

But the analysts said that Saudi Arabia, which is struggling to offset a budget deficit of $6.7 billion for 1990, and Iraq would like the price to be around $20.

The three share the same views on long-term oil policy because they have around 40 percent of the world's known reserves and plan to boost their output to match predicted growth in world demand in the next 10 years.

But in the short term, prices are expected to decline gradually due to seasonally lower second-quarter demand and some OPEC members' continued overshooting of their quotas.

Indeed, rising overall demand coupled with the usual heavy winter call for fuel, has pushed prices for the cartel's oil above $18 barrel. The rise has come despite the fact that certain member states, notably the United Arab Emirates, are producing at almost double the 1.1 million barrels per day that was assigned to them.

The Emirates officially rejected that quota and is producing at around two million barrels a day.

A survey by Reuters completed on Friday showed that Kuwait pumped some 400,000 barrels a day more than its share in January and February.

Oil industry sources said that Kuwait's extra barrels were competing with heavy crude sales from Iran and Iraq.

Iraq, which needs foreign currency to finance reconstruction after its eight-year war with Iran, sold around 100,000 barrels per day less in February than its OPEC limit of 3.14 million barrels a day.

The survey also showed that Iran was nearly 400,000 barrels a day below its quota.

After Saturday's meeting in Kuwait, the national KUNA news agency reported that the three countries had agreed to support OPEC resolutions. "The talks resulted in a complete agreement concerning the need to support the resolutions adopted by OPEC and to work to maintain stability in the oil market in the interest of all oil producing countries," KUNA said.

OPEC's last decision was a 22-million-barrel per day aggregate production ceiling for the six-month period ending in June this year.

EC to Debate Japan Car Restraints

Reuters

BRUSSELS — European Community foreign ministers will try on Monday to narrow their differences over how best to control Japanese car exports to the Community's single market after 1992.

But diplomats say the positions of "free-traders", such as West Germany and Britain, and "protectionists", led by France and Italy, appear irreconcilable.

In theory, the national import quotas operated by countries such as France, Italy and Spain should disappear once the 12 EC economies become a barrier-free market after 1992. So Community governments are seeking some sort of Community-wide arrangement.

All agree that a transitional period will be needed to shield EC automakers from the full force of Japanese competition after 1992 while they become more efficient and perhaps form more alliances.

But they are split over how long the transition should last and how Japan's voluntary restraints should be applied.

Most divisive of all is the question of "transplants" — vehicles produced by Japanese companies at plants within the Community or in the United States, an increasingly important base for Japanese manufacturers.

The hardliners say transplants must be taken into account when setting the timetable for freeing the EC market. But any attempt to restrict exports by U.S.-based companies would almost certainly spark another trade war with Washington.

Britain, the main Japanese platform for EC manufacturing, insists there can be no question of treating cars made there as anything other than British.

"It would be unacceptable to us, unacceptable to the Japanese and legally indefensible," a British official said. The EC Commission, which is responsible for all external trade negotiations, wants to begin exploratory talks with Tokyo soon and is hoping that the ministers' debate — the second in four weeks — will clear the way.

But diplomats said Italy would argue that the external relations commissioner Frans Andriessen should not open any talks until the 12 governments can agree upon a detailed position, even though he does not need a formal mandate from EC ministers to begin the discussions.

Britain has been in the vanguard of European countries in attracting Japanese automobile companies to set up local production and replace its ailing auto industry.

Nissan Motor Co. manufactures its Bluebird range in Britain, and the proportion of the Bluebird that is actually made in Britain has long been a matter of controversy with other European producers. Nissan claims it is 71 percent, thus qualifying it as a European-made car. Peugeot SA of France has charged that half of the car's components come from Japan or elsewhere.

Argentina Denies Big Layoff Plan

Reuters

BUENOS AIRES — The Argentine economy minister Antonio Erman González on Sunday denied local press reports that over 200,000 state employees would be fired to slash state spending when new austerity measures are announced.

"We are not proposing a massive dismissal, but rather the start of a plan to rationalize staff and set up an employment system to try and find new jobs once the private sector has achieved the conditions" to absorb more personnel, he said.

Economy Ministry officials had said on Friday that the government's new measures included a plan to lay off tens of thousands of state employees.

The move would entail raising public-sector salaries, sending state employees home and paying their monthly wages for about a year. Those workers would be offered retraining program or jobs in other government areas, officials said.

The government also plans to increase state revenues by raising utility rates and going after tax dodgers and other debtors. Federal taxes will be subject to indexation to prevent them from being eroded by inflation, reports said.

President Carlos Saúl Menem hopes to restore the public's confidence in his program with drastic measures to balance the government's books.

Businessmen have criticized Mr. Menem for backing away from his promises of stern economic management to contain inflation.

Mr. Menem's original economic program helped him overcome a first bout of hyperinflation after taking office in July, but markets lost confidence in his gradual approach and by the end of 1989 Argentina was again faced with a serious inflation threat.

Will Boilermakers Replace MBAs?

By Deirdre Fanning
New York Times Service

NEW YORK — Could the Rust Belt rise again? Lewis Cullman thinks so. And he has been right before.

In the 1960s, Mr. Cullman, a scion of a wealthy New York tobacco-growing family that once owned Benson & Hedges, engineered one of the early leveraged buyouts — of Orkin Exterminating Co., a small pest control operation.

He then devoted nearly three decades to buying and building other small companies with leverage, suddenly finding himself in vogue in the debt-crazed 1980s.

Now, when the unpretentious, irascible and relatively unknown 71-year-old gazes into the future, he sees factories, not high finance.

In his view, the business messiahs of the 1990s will be manufacturers rather than money grubbers.

Equipping tomorrow's leaders with the skills to maneuver in such a world has become his passion.

Mr. Cullman, mind you, is not a name-brand trendsetter. Yet once again, he may prove to be a pioneer — and this time around, actually leave a lasting imprint.

He is endowing what may be the first professorship of manufacturing management in the United States. And he is doing it at a time when academicians are starting to consider the merits of such an interdisciplinary approach to teaching business as a way to reverse the decline of America's manufacturing base.

"The people I see now running businesses are all steeped in finance," said Mr. Cullman in an interview in his New York office.

"No one seems to have any manufacturing qualifications or ability to understand what goes on out on the floor of a plant."

Indeed, many of the major Fortune 500 companies today are run by lawyers, accountants or some other finance types.

Education statistics say it all. According to Meyer Feldberg, dean of the Columbia Business School, fewer than 4 percent of all college students in the United States will graduate this year with degrees in engineering, while about 25 percent will earn business degrees.

But Mr. Cullman's $1 million chair, is unusual for another reason: It has a most unlikely home.

Although he graduated from Yale College, Mr. Cullman bypassed his alma mater and other Ivy League schools for a less distinguished choice, the Krannert School of Management at Purdue University.

"At Purdue, they're known as 'The Boilermakers,'" he explained.

"They're right there in the rust belt and I felt they were trained in the nitty-gritty. Most of those other guys never got their fingernails dirty."

Lewis Cullman thinks the business messiahs of the 1990s will be manufacturers.

Although he is an engineer by education, Mr. Cullman's conclusions about how to secure America's competitive future arose from experiences with his own leveraged buyouts.

His formula was to borrow heavily, put up a nominal sum personally and give employees equity incentives.

But somewhere along the line, Cullman realized "There was a whole other dimension to owning these companies, namely understanding the manufacturing they did."

That reality hit him after he hired G. Thomas Hargrove, an MBA and manufacturing maverick, to run one of his companies in 1980.

"Before Tom joined, the company was doing $16 million a year in sales," Mr. Cullman said.

"Now, it does $120 million. I realized that I'd been successful because of this guy who has production know-how as well as a financial degree.

Yale at first seemed an obvious choice, not only because of the personal affiliation but also because of the school of management's strength in operations research.

However, Mr. Cullman said with disgust, "I got a copy of the current curriculum and I saw that it was filled with finance courses.

Harvard University fell out of the running after he visited the school and decided that it might be inclined to use its famed case study method in manufacturing classes.

"How can you apply case methods to manufacturing lines?" he asked in horror.

Finnish Bank Unions Get Pay Deal, Ending Strike

Compiled by Our Staff From Dispatches

HELSINKI — A bank dispute that closed most of Finland's banks for a month and resulted in the laying off of hundreds of other workers was settled late Sunday after both sides accepted a mediation plan.

Staff will return to work Monday, but the banks will open to the public on Tuesday. The employers' leader, Heikki Ropponen, said 90 percent of branches would be open by then.

Leaders of the 38,000-strong bank staff union accepted an offer by the national arbitrator that will give their members a 7 percent pay increase now, with more to be negotiated. The union originally demanded 10 percent and two more days off a year. A week ago it rejected 7 percent.

All banks except state-controlled Postipankki have been closed since Feb. 1 and union members have been locked out for refusing to handle interbank payments since Jan. 22. (AFP, Reuters)

CURRENCY RATES

Cross Rates

March 2

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	1.933	3.2175	1.1261	0.3333	0.1528 *	—	5.42 *	1.2841	1.2914 *
Brussels(a)	35.675	59.53	20.7795	6.15	2.8177 *	18.455	—	23.489	0.2382
Frankfurt	1.7178	2.857	—	0.294	0.1256 *	0.888	4.813 *	1.1404	1.1465 *
London (b)	1.682	—	2.8345	9.5715	2,090.50	3.1953	58.865	2.4915	247.80
Milan	1,246.80	2,107.20	737.80	218.32	—	655.58	35.486	840.45	8.448
New York(c)	—	1.668 b	1.7175	5.815	1,246.50	1.9045	35.675	1.5103	150.27
Paris	5.86	9.6485	3.3783	—	0.458 *	3.0001	0.1626	3.8512	3.87 *
Tokyo	150.20	250.31	87.43	25.91	0.1187	77.45	4.2073	99.70	—
Zurich	1.501	2.4887	0.8778	0.26	0.1183 *	0.7868	4.2034 *	—	1.0034 *
1 ECU	1.1947	0.7174	2.0481	6.9201	1,518.45	2.3063	42.5548	1.7968	178.781
1 SDR	1.3062	0.7853	2.2437	7.9757	1,653.61	2.5348	46.9973	1.9677	196.12

Closings in London and Zurich, fixings in other centers. New York closing rates.
a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	4399.8	Fin. markka	4.013	Mex. peso	2744.99	S. Afr. rand	2.581
Austral. $	1.3332	Greek drac.	161.40	N. Zealand $	1.6998	Soviet ruble*	0.6019
Austr. schil.	12.09	Hong Kong $	7.81	Nig. naira*	5.2995	Span. peseta	110.10
Brazil cruz.	31.407	Indian rupee	17.123	Norw. krone	6.586	Swed. krona	6.17
Canadian $	1.1922	Indo. rupiah	1850.99	Phil. peso	22.37	Taiwan $	25.95
Chinese yuan*	4.72	Irish £	0.6441	Port. escudo	150.05	Thai baht	25.71
Danish krone	6.588	Israeli shek.	2.0094	Saudi riyal	3.748	Turkish lira	2374.00
Egypt. pound	2.6333	Kuwaiti dinar	0.291	Sing. $	1.876	UAE dirham	3.67
		Malay. ring.	2.705	S. Kor. won	693.00	Venez. boliv.	43.00

New York rates unless marked * (local rate.)

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6546	1.6451	1.6367	Canadian dollar	1.1973	1.2022	1.2067
Japanese yen	149.83	149.40	149.29	Swiss franc	1.5040	1.5032	1.5022
Deutsche mark	1.7150	1.7152	1.7154				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

	Mar. 2	Feb. 23	Chge
United States			
DJ Indus.	2,660.36	2,564.19	+ 3.75 %
DJ Util.	219.43	216.86	+ 1.28 %
DJ Trans.	1,145.98	1,081.26	+ 5.97 %
S & P 100	315.46	304.40	+ 3.70 %
S & P 500	335.54	324.15	+ 3.51 %
S & P Ind	386.25	373.15	+ 3.51 %
NYSE Co	184.97	179.35	+ 3.13 %
Britain			
FTSE 100	2,254.80	2,236.70	+ 0.81 %
FT 30	1,774.20	1,762.30	+ 0.68 %
Japan			
Nikkei 225	34,057.00	34,890.00	— 2.39 %
West Germany			
DAX	1,818.23	1,789.44	+ 1.60 %
Hong Kong			
Hang Seng	2,937.90	2,894.31	+ 1.51 %
World			
MSCIP	510.70	523.40	— 2.46 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

	Mar. 2	Feb. 23
United States		
Discount rate	7.00	7.00
Federal funds rate	8¼	8.27
Prime rate	10.00	10.00
Japan		
Discount	4¼	4¼
Call money	6 9/16	6 15/32
3-month interbank	7¼	7 3/32
West Germany		
Lombard	8.00	8.00
Call money	7.95	7.15
3-month interbank	8½	8.35
Britain		
Bank base rate	15.00	15.00
Call money	15.00	14⅞
3-month interbank	15¼	15¼

Gold	Mar. 2	Feb. 23	Chge
London p.m. fix $	405.05	415.85	— 2.60 %

INTERNATIONAL BusinessWeek

This week's topics:

- O Disney: An American In Paris
- O Why Tokyo's Stocks Are Sliding
- O Did Drexel Get What It Deserved?
- O Why Renault Buckles Up With Volvo
- O The U.S.-Japan Feud May Not Cool

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EURASUD

Société d'investissement à capital variable

The Board of Directors, meeting on January 31, 1990, decided to convene an extraordinary general meeting of shareholders of the EURASUD SICAV for April 4, 1990 in order to submit a draft modification to the instruments of incorporation stating: "The general meeting rules on the distribution of interest, dividends, premiums and allotments, arrears of interest and income from the sale of subscription rights and securities resulting from the allocation of bonus shares". This is in accordance with the provisions of the law of August 2, 1989 and the 1990 Finance Act. The Board has also ruled the accounts for the first year, covering the period between June 14, and December 29, 1990.

Those shareholders who so wish may request that the SICAV repurchase their shares with no extra charges during a period of three months.

A proposal will be made to the annual general meeting of shareholders, which will be held on the same day, to capitalize the income from securities acquired by the SICAV and consequently to allocate the distribuable income, i.e., FF 1,035,138.96, to a rest account.

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. March 2

Australian Dollars

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A B N Austral	14½	94	112½	9.10	
A I D C	12¾	91	96¼	14.30	
A I D C	14	92	97¾	14.97	
A I D C	12¾	98	96½	13.83	

Canadian Dollars

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
A I D C	10	91	97	13.25	+77
A I D C	10⅛	93	93	12.79	+120
A K Z O	9¾	90	98¼	13.20	+62
A K Z O	11	91	96	13.87	+137

ECU Straights

Issuer	Cpn	Mat	Price	Yld
A B B	8¾	94	89½	11.29
A K Z O	7¾	91	97½	12.01

Yen Straights

Pound Sterling

Keating Faces Suit

New York Times Service

LOS ANGELES — A California agency says it has filed a multimillion-dollar lawsuit against Charles H. Keating Jr. and American Continental Corp., contending that the company put pressure on unsophisticated investors to buy its junk bonds by saying they were insured by the government and were free of risk.

The California Department of Corporations charged in the lawsuit, filed in Los Angeles County Superior Court, that American Continental and its top executives, including Mr. Keating, had lied to the state in disclosure forms and misled investors who bought the bonds from branches of Lincoln Savings & Loan, a subsidiary of the company.

The department said it had conducted an eight-month investigation and interviewed more than 100 holders of the now-worthless bonds and a dozen present and former employees.

Many of the investors — a large number of them elderly people — lost their life savings.

The suit contends that American Continental withheld vital information from investors.

Christine Bender, the Department of Corporations commissioner, said she had forwarded the charges to law-enforcement officials for possible criminal prosecution.

The Los Angeles County district attorney's office said Friday that it had asked for a special grand jury for Lincoln.

MUTUAL FUNDS

Figures as of close of trading Friday, March 2.

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL — No initial sales load. f — Previous day's quote. r — Redemption charge may apply. x — Ex dividend.

هكذا من الأصل

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Yasuda Trust & Banking (Luxembourg)	$ 50	2000	0.30	102	—	Interest will be 0.30 over 6-month Libor in first 3 years and 10½% thereafter. Callable at par in 1993. Fees 2%. (Yasuda Trust Europe.)
Amsterdam-Rotterdam Bank	DM 500	2005	⅛	100	—	Over 6-month Libor in first 5 years, 3/16 over in second 5 years and ¼ over thereafter. Noncallable. Fees 0.25%. (Trinkaus & Burkhardt.)
Fixed-Coupons						
Denmark	$771	1995	9¼	99.76	99.50	Noncallable. Denominations $10,000. Fees 0.20%. (J.P Morgan Securities.)
Halifax Building Society	$200	1995	9⅝	101.70	—	Noncallable. Fees 1⅞%. (IBJ Int'l.)
Panasonic Finance (Netherlands)	$300	1994	9⅝	101.305	100.00	Noncallable. Fees 1⅞%. (Nomura Int'l.)
Unilever Capital	$250	2000	9¼	99.45	98.87	Semiannually. Noncallable. Fees 0.325%. (Deutsche Bank Capital Markets.)
National Bank of Hungary	DM 200	1997	10	100	97.75	Noncallable. Fees 2¼%. (Commerzbank.)
Crédit Lyonnais	Y 10,000.	1995	7.20	101⅞	—	Noncallable. Fees 1⅞%. Denominations 100 million yen. (LTCB Int'l.)
Kredietbank Int'l Finance	Y 3,000	1991	15	101⅛	—	Noncallable. Redemption amount at maturity will be linked to the performance of the Nikkei 225 stock index. Fees 1⅞%. (New Japan Securities.)
South Australian Government Financing Authority	Y 10,000	1992	7⅝	101.075	—	Noncallable. Fees 1⅞%. (Daiwa Europe.)
Toyota Motor Finance (Netherlands)	Y 30,000	1993	7¼	101.313	—	Noncallable. Fees 1⅞%. Denominations 10 million yen. (Nomura Int'l.)
Union Bank of Finland	Y 10,000	1995	7¼	101.85	—	Noncallable. Fees 1⅞%. Denominations 10 million yen. (Sumitomo Trust Int'l.)
World Bank	Y 50,000	2000	6¾	101⅛	98.53	Noncallable. Fees 1⅞%. (Nikko Securities Europe.)
Equity-Linked						
Hazama	$200	1994	open	100	100.50	Coupon indicated at 2½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set March 7. (Daiwa Europe.)
Matsushita Electric Industrial	$1,000.	1994	2⅛	100	97.75	Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set March 9. (Nomura Int'l.)
Mitsubishi Oil	$250	1994	2⅜	100	97.00	Coupon indicated at 2½%. Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set March 5. (Yamaichi Int'l Europe.)
Toda Construction	$300	1994	2⅛	100	102.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 2,206.30 yen per share and at 150.08 yen per dollar. Fees 2½%. (Nikko Securities Europe.)
Yamanouchi Pharmaceutical	$300	1994	2⅛	100	95.00	Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at 3,147 yen per share and at 149.80 yen per dollar. Fees 2½%. (Nikko Securities Europe.)

Financing Linked to Oil Price

By Carl Gewirtz
International Herald Tribune

PARIS — An innovative financing indexed to the price of oil was launched in the international credit market last week for Algeria's state-owned oil company, Sonatrach.

The oil-price link can increase the income of lenders if the price falls, as well as if it climbs. The aim, according to officials at Chase Manhattan Bank, which is arranging the loan, is both to attract banks which have been reluctant to lend to Algeria and to protect the lenders against a deterioration in the company's credit standing if the price of oil were to fall sharply.

The $100 million loan will run for seven years and interest is set at one percentage point over the six-month London interbank offered rate. Commissions range up to 1⅝ percent.

During the first year, lenders will be paid an additional ⅛ percent interest if the benchmark West Texas price of oil is either below $16 a barrel or above $22. The calculation will be made every six months on the basis of the average daily price during that period.

Over the next three years, the parameters move by one dollar, so that in the second year the price has to be below $15 or above $23 before the premium is paid. In the third year this changes to $14 or $24 and in the fourth year and thereafter it is set at $13 or $25.

Officials at Chase Manhattan said that the potential additional payments to lenders will not come out of Algeria's pocket but from a commodity hedge that the bank devised to enhance the attraction of the loan. Chase refused to discuss details of the hedge.

Officials say the financing aims both to attract banks which have been reluctant to lend to Algeria and to protect the lenders if the price of oil were to fall sharply.

The Sonatrach loan carries the guarantee of the Banque Exterieure d'Algérie. The bank last tapped the market in its own name in August 1988, paying a margin of ⅞ point over Libor for a seven-year loan.

Scheduled to be announced this week is a $500 million loan for Greece. Ethiopian Airlines is also expected to tap the market.

Italy's Isveimer, an associate of Banco di Napoli focused on developing Southern Italy's economy, is currently in the market seeking $80 million. The loan is divided into two equal parts, one for seven years with a six-month availability for drawing, and the other for 7½ years with a one-year drawdown. Interest on both is 15 basis points over Libor for the first four years and 18¾ basis points thereafter.

The commitment fee on undrawn amounts is five basis points and front-end fees range up to 12 basis points. Bankers complained that the overall terms were too tight.

Iceland's national power company, Landsvienkjun, is seeking a 10-year loan of $55 million. Interest is set at 18 basis points over Libor for the first five years and 19 basis points thereafter.

Drexel Bonuses Defended

Reuters

WASHINGTON — A Drexel official said on Sunday that Drexel Burnham Lambert Group Inc. officials acted properly when they gave huge bonuses to top executives, despite the firm's trouble's.

"The decision to pay the bonuses was made almost a year earlier, when the management felt they had to guarantee 75 percent of the prior year's income in order to keep a management team," Roderick Hills, a Drexel director, said.

FIDELITY AMERICAN ASSETS N.V.
Registered Office: Schottegatweg-Oost 130
Curacao, Netherlands Antilles

NOTICE OF ANNUAL GENERAL ASSEMBLY OF SHAREHOLDERS

Please take notice that the Annual General Assembly of Shareholders of Fidelity American Assets N.V. (the "Corporation") will take place at 2:00 p.m. at Schottegatweg-Oost 130, Curacao, Netherlands Antilles, on March 20, 1990.

The following matters are on the agenda for this Assembly:

1. Report of the Management.
2. Election of the Managing Directors. The Chairman of Management proposes the re-election of the following five present Managing Directors, Edward C. Johnson 3d, Charles A. Fraser, John M.S. Patton, H.F. van den Hoven and AMACO Holdings & Trust Company N.V., being all of the present Managing Directors except William L. Byrnes who by reason of his retirement does not offer himself for reelection. The Corporation notes with regret the recent death of its esteemed Managing Director, Hisashi Kurokawa.
3. Approval of the Balance Sheet and Profit and Loss Statement for the fiscal year ended November 30, 1989.
4. Ratification of actions taken by the Managing Directors since the last Annual General Assembly of Shareholders, including payment of an interim dividend in respect of the fiscal year ended November 30, 1989 and authorization of the Managing Directors to declare additional dividends in respect of fiscal 1989 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.
5. Ratification of actions taken by the Investment Manager since the last Annual General Assembly of Shareholders.
6. Such other business as may properly come before the Assembly.

Approval of each item of the Agenda will require the affirmative vote of a majority of the votes cast at the Assembly. A form of proxy may be obtained from the following institutions:

Compagnie Fiduciaire
5, Boulevard de la Foire
LUXEMBOURG
Fidelity International (C.I.) Limited
40, the Esplanade
St. Helier, Jersey
CHANNEL ISLANDS
Fidelity International Management Holdings Limited
Oak Hill House
130 Tonbridge Road
Hildenborough
Kent TN11 9DZ, ENGLAND

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from the Corporation's Principal Office in Pembroke, Bermuda, or from the Institutions listed above, to the Corporation at the following address:

Fidelity American Assets N.V.
c/o Amaco Holdings & Trust Company N.V.
Post Office Box 3141
Curacao
NETHERLANDS ANTILLES

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares obtained and filed in the manner described in the preceding sentence. Alternatively, holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit their shares, or a certificate of deposit therefor, with the Corporation at Schottegatweg-Oost 130, Curacao, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer shareholder to exercise such rights.

All proxies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 1:00 p.m. on March 20, 1990, in order to be voted at the Assembly.

By order of the Management
Charles T.M. Collis
Secretary

U.S. Bonds Hold Steady On Uncertain Outlook

By H.J. Maidenberg
New York Times Service

NEW YORK — Prices of U.S. Treasury securities were little changed last week as inconclusive data on the state of the American economy kept traders off balance.

The bellwether 8½ percent Treasury bonds that mature in 2020

U.S. CREDIT MARKETS

closed Friday at 99 11/32, to yield 8.56 percent, unchanged from a week earlier.

The market was boosted Friday by the government's report that sales of new homes plunged 7.1 percent in January and that the index of leading economic indicators was unchanged for the month. The market had expected a slight rise in the leading indicators.

"The size of the drop in home sales was quite a surprise and hit the shorts hard early in the session," said Steven R. Ricchiuto, chief economist at Barclays de Zoete Wedd Securities. "Given the weak bond markets of the past few days, many traders had been selling short."

Many dealers and traders had sold Treasury issues as a hedge against a further drop in prices.

Speculators sold short in the hope of profiting from a decline in prices, which would have enabled them to buy back their contracts at lower cost. In any event, the early price rise caused both groups to cover their short positions, and the resultant buying led to an even stronger price rise.

Although the evidence of a weak economy helped the market Friday, it failed to offset the government's report Wednesday that the economy grew by 0.9 percent in the fourth quarter of 1989, slightly more than originally reported. The result, traders said, was something of a standoff.

Mr. Ricchiuto also said that the shorter end of the Treasury market held steady despite reports that a large overseas central bank, widely believed to be the West German Bundesbank, sold roughly $1 billion of the short-term Treasury notes, ostensibly to bolster its government debt issues.

In the U.S. money markets, the key federal funds rate closed Friday at 8.25 percent, also little changed from a week earlier.

The funds rate, considered the benchmark short-term U.S. interest rate, was under some upward pressure last week, but the Federal Reserve moved to offset it on Friday by adding $2.5 billion in liquidity to the market.

"The upward pressure on the funds rate reflects the perception that the Fed's next move on interest rates may not be downward, as the Street has long expected, but slightly upward," Mr. Ricchiuto said. "If so, we expect the short end of the Treasury market to rise even further."

Treasury bill rates were slightly higher, with three-month rates rising to 7.75 percent from 7.67 percent and six-month rates edging up to 7.75 percent from 7.66 percent.

India's Deficit Climbs to Twice Expected Level

Reuters

BOMBAY — The Indian government's budget deficit for fiscal 1989-90 is running at almost double the expected rate, the Reserve Bank of India said Sunday.

The central bank also said economic growth is likely to have slowed considerably in the year, which ends March 31.

The budget deficit was 142 billion rupees ($8.29 billion) on Jan. 12, compared with the 73.37 billion forecast in the 1989-90 budget. The deficit was 59.4 billion rupees in fiscal 1988-89.

The bank's report said real gross domestic product growth would be 4.5 percent in the current fiscal year, against 10.0 percent a year earlier and 3.6 percent in 1987-88. Industrial production grew 4.4 percent in April-October, compared with 9.3 percent in the same period of 1988-89, the report said.

Euromarts At a Glance

Eurobond Yields

	Feb. 28	Feb. 21
U.S. $, 8 yrs & over	9.35	9.27
U.S. $, 5 to 7 yrs	9.28	9.33
U.S. $, less than 5 yrs	8.83	8.76
Pounds sterling, less than 5 yrs	14.38	14.15
French francs, less than 5 yrs	11.46	11.48
Ital. lire, less than 5 yrs	12.73	12.52
Danish kroner, less than 5 yrs	12.22	12.29
ECU, 8 yrs & over	10.82	10.84
ECU, 5 to 7 yrs	10.86	10.96
Can. $, less than 5 yrs	12.54	12.62
Aus. $, less than 5 yrs	15.43	15.47
N.Z. $, less than 5 yrs	13.56	13.54
Yen, 5 to 7 yrs	6.93	6.96
Yen, less than 5 yrs	6.85	6.79

Source: Luxembourg Stock Exchange.

Weekly Sales — March 2

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	14.30	524.30	562.10	2,380.40
Convert.	19.40	23.30	45.60	23.80
FRNs	5.00	230.80	—	601.10
ECP	4,605.90	738.70	8,981.90	2,932.30
Total	4,644.60	1,517.10	9,589.60	5,937.60

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	3,303.18	12,431.40	11,582.70	14,577.80
Convert.	189.10	476.80	666.90	402.50
FRNs	997.40	2,322.60	3,742.30	4,761.70
ECP	3,810.60	2,087.30	3,130.90	2,752.10
Total	8,300.20	17,317.30	19,042.70	22,494.10

Source: Euroclear, Cedel.

Libor Rates — March 2

	1-month	3-month	6-month
U.S. $	8⅝	8 7/16	8½
Deutsche mark	8¾	8½	8 15/16
Pound sterling	15 1/16	15⅛	15 5/16
French franc	10 7/16	8 15/16	11 1/16
ECU	10 13/16	11⅛	11½
Yen	7 5/16	7 7/16	7⅝

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Treasury Bonds — Mar. 2

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
29.02.92	99 31/32	100	8.50	8.41
15.02.93	99 21/32	99 23/32	8.49	8.45
31.12.93	96 30/32	97	8.57	8.50
15.05.95	99 28/32	99 30/32	8.51	8.45
15.01.97	97 1/32	97 3/32	8.57	8.56
15.07.00	99 21/32	99 23/32	8.55	8.54
15.02.06	105 28/32	105 30/32	8.68	8.68
15.02.20	99 11/32	99 13/32	8.56	8.56

Source: Salomon Inc.

U.S. Consumer Rates — March 2

Tax Exempt Bonds: Bond Buyer 20-Bond Index	7.43 %
Money Market Funds: Donoghue's 7-Day Average	7.65 %
Bank Money Market Accounts: Bank Rate Monitor Index	4.09 %
Home Mortgage, FHLB average	10.23 %

Source: New York Times.

EURO: *International Market Losing Competitive Edge*

(Continued from first finance page)

Securities Ltd., using a novel syndication technique of auctioning the paper.

The theory of the procedure is to enable investors to express their view on how the paper should be priced, while offering them the possibility of taking as much paper as they actually bid for. The bidding was made in terms of a margin over the yield on U.S. government bonds.

Morgan said the lowest bid was a margin of 58 basis points over the benchmark rate and more than three-quarters of the bids fell in a range of 63 to 65 basis points.

Denmark opted to pay a margin of 65 basis points — the price at which all the bonds were issued — and at that level $771 million-worth of five-year bonds was sold. The paper carried a coupon of 9¼ percent and an offering price of 99.76.

Denmark's aim was to raise between $500 million and $1 billion. The spread over the benchmark rate was equivalent to the level where Denmark's outstanding paper is currently trading.

As banks were invited to bid for paper on the basis of investor demand, there were no underwriting fees paid to intermediaries. They received a selling fee of 20 basis points.

Critics said the procedure was better suited to a bull market, where demand is heavy, than to a soggy market, as now, where investors are unlikely to compete to buy new issues.

Although demand for dollar-denominated paper is not red-hot, bankers admit, the $300 million issue from Panasonic Finance (Netherlands), whose Japanese parent company is rated triple-A, was a blow-out. The four-year notes, priced to yield 58 basis points over the benchmark rate, carried a coupon of 9⅝ percent and were offered at a price of 101.31. Total fees were 1⅞ percent with underwriters actually keeping 25 basis points.

Unilever, another triple-A-rated corporate, fared less well because the bulk of investor demand is for intermediate maturities rather than long-term paper. Unilever NV's $250 million issue runs for 10 years and was priced to yield 65 basis points over the Treasury, bearing a coupon of 9¼ percent and an offering price of 99.45. Under the new reoffering price method, underwriters collected a commission of 32½ basis points.

In the equity-linked market, Matsushita Electric Industrial Co. offered $1 billion of four-year notes which are expected to carry a coupon of 2⅛ percent. However, the continuing decline in Tokyo stock prices has made marketing such paper difficult. The Matsushita paper was trading at a when-issued discounted price of 97¾, a far cry from the 10 percent premiums seen when Tokyo prices were rising.

Despite the continuing disorder in the West German domestic bond market, where 10-year government yields now are at a five-year high of 9 percent, Hungary tapped the market for 200 million DM ($116.4 million) of seven-year bonds offered at par with a coupon of 10 percent. Commerzbank was quoting the bonds at a discount of 2.3 points, but quotes away from the lead manager showed a discount of nearer 3 points.

Given the troubled market conditions and concern about the quality of the credit, critics said the timing of the issue was unfortunate.

Theoretically, this is an ideal time to be issuing floating-rate debt, as that offers maximum protection against a continuing increase in interest rates. But Amsterdam-Rotterdam Bank ran into trouble with its 500 million DM offering of floaters, because investors are not keen on bank paper especially, as in this case, when it is subordinated debt.

In the domestic market, the West German federal railway said it will issue floating rate notes this week — marking the first time a West German public authority has issued floating-rate paper.

The amount is expected to total between 2 billion and 4 billion DM and interest on the 10-year paper is expected to be set at 20 basis points below the three-month interbank offered rate.

The decision to issue floating rate debt is a breakthrough on two levels. The government has traditionally looked on such securities as an indexed instrument transmitting inflationary pressures. But in the present circumstances, with investors so unsure how the proposed union with East Germany will affect inflation and interest rates, it is probably less costly to issue floating-rate debt than to lock into a fixed rate obligation for 10 years now.

The move also signals that the domestic turnover tax will be removed. This tax has driven money-market instruments such as floating-rate notes totally offshore, as trading the paper is too expensive.

WALL STREET REVIEW

Figures as of close of trading Friday, March 2.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
TexUtil	152044	35⅛	34¼	34⅝	+ ⅞
PhilMr s	113194	38¼	36	36⅞	— ⅜
Pfizer	99544	61⅞	54½	61¼	+5½
AmExp	99066	29¾	27½	29⅝	+1⅜
FutGer n	96734	19¼	18	18¼	
GenEl	88545	62⅝	60⅝	62⅝	+2⅝
GnMotr	79343	46⅛	43⅝	46	+2⅝
Exxon	76345	48½	46½	46⅝	— ⅜
FlaPro	76243	38	37	37⅝	+ ⅝
UCarb	72188	24⅝	22	22	—1¼
IBM	70797	105½	102½	104⅝	+2¼
AT&T	66484	40½	38	40⅝	+2¼
PhilaEl	61154	20⅝	17⅝	17⅝	—3¼
Baxter	53346	25⅝	23	24⅝	+1⅛
PicrD g	52397	18⅝	17⅝	18½	+ ⅛
Merck	52119	69⅝	67½	69⅝	+1⅝
FdNM s	51042	36½	34½	36	+1⅝
NtSemi	49298	7⅛	6⅝	7⅛	+1⅛
GibM n	48434	5	4½	4⅞	— ⅛
EKodak	48432	38⅝	36⅝	38⅝	+1⅞
Navistr	48169	3⅝	3⅝	3⅝	
duPont s	47413	39½	37⅝	39⅝	+1⅞
FordM	46591	47¼	44⅝	47⅝	+2⅝
Citicorp	46100	25½	23⅝	25	+1⅛
BrMySq	45675	53	51⅛	53	+2

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
SNk f93wt	53614	6⅞	5½	6⅞	+ ⅜
SNk f93wt	53526	5⅞	4⅝	5⅞	+ ⅜
BolrPh	51019	9	3½	5	—4⅝
EchoBy	45959	16⅝	15	16⅝	+ ⅜
BT Nk wt	40924	13⅝	11½	13⅝	+0⅝
Hilhov n	38966	1¼	1	1¼	
TexAir	24904	8⅝	7	8⅛	— ¼
WangB	24757	5½	4	5¼	+1⅜
Dk Nk wt	21932	6⅝	6	6½	+ ⅛
HomeSh	20903	7⅛	6⅝	6⅝	+ ¼
BAT In	19950	13¼	12⅝	13⅛	— ⅝
Amdhl	16946	14¼	13¼	14	+ ½
ENSCO	14848	4¼	3⅝	4¼	+ ¼
ForstL	14163	37⅝	33⅝	35⅝	—2⅝
WDigitl	15657	10⅝	8⅝	10½	+1½
DWG	11198	10⅝	8⅛	10⅝	+ ⅞
MagmC	10860	5	4¼	5	+ ⅜
FruitL	10314	13⅝	13¼	13¼	— ¼
PegGld	9460	13⅝	11¾	12	—2
DowC rt	8784	10¼	9¾	10¼	+ ½
JanBell	8393	15⅝	13⅛	15⅝	+1⅞
vIEAL pfD	7673	10⅝	9⅝	10	— ⅝
NY Tim	7449	24⅝	22⅝	24⅝	+2¼
TRC s	7398	4⅝	3⅝	4½	
DataPd	7309	6⅛	5¼	5⅝	— ⅛

NYSE Sales

	Sales Vol.
Total for week	808,170,000
Week ago	639,350,000
Year ago	778,310,000
Two years ago	1,040,390,000
Jan 1 to date	7,078,415,000
1989 to date	7,238,500,800
1988 to date	7,992,280,000

AMEX Sales

	Sales Vol.
Total for week	85,830,000
Week ago	58,740,000
Year ago	46,978,000
Jan 1 to date	421,140,000
1989 to date	477,570,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1310	451
Declined	577	1413
Unchanged	283	284
Total Issues	2170	2148
New Highs	45	34
New Lows	167	186

AMEX Diaries

	This Wk	Last Wk
Advanced	422	257
Declined	345	505
Unchanged	219	203
Total Issues	987	965
New Highs	27	28
New Lows	82	48

BANK: *Full Independence Still Eludes Japanese Monetary Authorities*

(Continued from first finance page)

pendence — and while none can claim complete immunity from political considerations — no other monetary authority is so closely bound to such an array of potentially conflicting political and economic interests.

As long as Japan had currency and interest-rate controls and remained a relatively minor actor on the international stage, the Bank of Japan's position in the Tokyo bureaucracy could go more or less unnoticed among allies. In the postwar era, it was one of many forms of intervention that contributed to the stability Japan needed to rebuild its shattered economy.

But with the deregulation of Japanese markets and Tokyo's emergence in global financial affairs, the need for consensus has changed from a strength to a weakness. That has been clear since arguments between the bank and the Finance Ministry, which have reached fever pitch in recent days, broke out last summer.

Anxious to consolidate revenues, the Finance Ministry has been a vigorous defender of the 3 percent sales tax imposed by the Liberal Democrats last year. With the party's political challenges since then based almost entirely on opposition to the tax, the ministry has opposed anything that would lower economic growth and damage the Liberal Democrats' chances at the polls.

As a consequence, the ministry fought last year each of the central bank's three increases in its discount rate, which is the rate it charges on loans to commercial banks.

The rate increase currently expected was delayed until the Liberal Democrats faced opponents in legislative elections last month — a delay that introduced unusual uncertainty into the currency and stock markets.

These awkward displays served to warn of moves on the interest rate front. But they also damaged the central bank's authority in the markets, forcing its governor, Yasushi Mieno, to make almost daily statements on inflation and money supply — a practice one economist termed "an 'open-mouth policy' that has had precisely the opposite of its intended effect."

"If monetary policy isn't protected from political pressures, it becomes subject to too many objectives," said Kenneth S. Courtis, senior economist at DB Capital Markets Asia Ltd. in Tokyo. "When that happens, the central bank's credibility is undermined, so it has to act with more and more force to be effective."

It is through credibility, not regulation, that central banks now influence global markets. Perhaps in recognition of this, Mr. Mieno, a career official at the bank, is believed to be seeking greater independence from the Finance Ministry and other elements of the Tokyo bureaucracy to which he is tied.

Because the governorship of the central bank has alternated between bank and Finance Ministry officials, Mr. Mieno's predecessor, Satoshi Sumita, was visibly more comfortable working with the ministry and within the constraints of the consensus-building process.

There are signs that the current finance minister, Ryutaro Hashimoto, is more receptive to Mr. Mieno's quest for greater independence. The embarrassments of recent policy disagreements, combined with the current mess in the markets, may have persuaded Mr. Hashimoto that it is no longer either appropriate or excusable to tie the central bank's hands with the string of domestic politics.

Like many other features of contemporary Japan, however, it is far from clear when the central bank's constraints will be lessened or if they will change at all, beyond modest shifts in emphasis related to the personal preferences of those in office.

"Given the implications for markets, the positioning of Japanese institutions is obviously a question of maturity," said Paul A. Summerville, economist at Jardine Fleming (Securities) Japan Ltd. "But investors should probably accept that this will be a permanent feature — a permanent problem — in the Tokyo markets."

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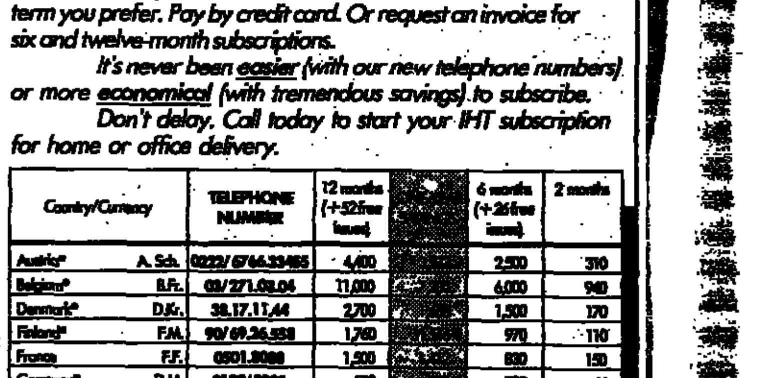

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Denmark*	D.Kr.	38.17.11.44	2,700	[illegible]	1,500	170
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Great Britain	£	0800/700600	140	[illegible]	77	14
Greece**	Dr.	01/51.29.005	41,000	[illegible]	23,000	5,000
Ireland	£Irl.	——	155	[illegible]	85	16
Italy	Lire	——	420,000	[illegible]	231,000	32,000
Luxembourg	L.Fr.	32.3/271.03.04	11,000	[illegible]	6,000	940
Netherlands*	Fl.	06-022.0242	600	[illegible]	340	50
Norway*	N.Kr.	042/11.388	2,000	[illegible]	1,100	175
Portugal*	Esc.	0034/1.353.1085	29,000	[illegible]	16,000	3,000
Spain*	Ptas.	91/555.1085	32,000	[illegible]	17,600	3,000
Sweden*	S.Kr.	08/71.63.771	2,000	[illegible]	1,100	165
Switzerland*	S.Fr.	0.46.05.44.11	455	[illegible]	255	38
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Rest of Afr., Gulf St., Asia	$	——	650	[illegible]	340	—
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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, March 2.

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd			789	29¼	28¾	28¾	— ¼
ABS s	.32	5.1	71	6¾	6¼	6¼	— ¼
ACC Co	.16	1.8	448	9½	8½	9	
ADC			6949	22½	19¾	19¾	—1¼
ADT			8913	32¾	30¾	32¾	+ ¾
AEL			95	6	5¼	5¼	— ¼
AEP s			732	15½	15	15	— ¼
ALC h			841	¾			— ¼
ASK			2091	9¼	8¾	9	+ ¼
AST			16059	16¼	14½	15¾	+1¼
AamRt	.10	1.1	77	9¾	9⅛	9¾	
AbingB	.16	2.7	67	6	5¾	6	+ ½
AbeLinc			45	7¾	7	7¾	+ ¾
Acadin			6599	1			
Accel		†	602	7¾	7¼	7¾	+ ¾
Actaim s			2900	7	6¾	6¾	+ ¼
Act wtB			2169	1¾	1⅝	1¾	+ ¼
Acato	.14b	.1	19	14¾	14		
ACMT			15	12½	12	12	
AcmeSt			745	15½	14¼	15¼	+ ¾
ActARt		†	1305	7¾	6¾	7¼	+ ¼
ActnSv	.32b	5.1	971	6¼	6¼	6¼	+1
[illegible]							

(Continued on next page)

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WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

The market reacted calmly to the sharp fall in Tokyo. The CBS all-share index closed at 188.7, up from 185.8 the previous Friday.

Volume declined slightly, to 6 billion guilders — 2.6 billion of which was in equities — from 7.6 billion guilders and 3 billion in equities the week before.

AMRO Bank and Philips NV published 1989 results that were in line with expectations.

The Kempen & Co. brokerage said it expects a bottoming-out of the downward trend in the near term.

Frankfurt

The market had a zig-zag week, strongly influenced by trends in Tokyo and on Wall Street, analysts said. Stock prices finished the week higher, with the DAX indicator up 28.59 points on the week, at 1,818.23, and the Commerzbank index up 16.2, at 2,192.0.

Volume fell sharply, totaling only 29.13 billion Deutsche marks for the eight West German exchanges, against 43.70 billion the previous week. Analysts said the current phase of indecision and consolidation should continue this week.

Shares with the strongest gains included the steel concern Thyssen, up 17 DM to 445, VEBA (chemicals, transport), up 18 to 308 and MAN (engineering), which rose 17 to 453.50.

Chemicals were popular, especially among Japanese investors. Bayer rose 12.40 to finish the week at 313.70, BASF was up 12 to 309 and Hoechst rose 15 to 318.50.

Hong Kong

Share prices finished with moderate gains as market sentiment remained affected by Japan. The key Hang Seng Index rose 43.62 points, or 1.5 percent, to close at 2,937.93 on Friday, reversing a 1.5 percent loss a week earlier.

Average daily turnover shrank to 1.05 billion Hong Kong dollars from the previous week's 1.5 billion.

Some dealers said the Hong Kong market had offered respectable resistance to the influence of the Japanese market, which closed 2.4 percent down for the week. They said that was because many local stocks had already been oversold.

While some said the exchange was in for consolidation this week, others thought the Hang Seng could break the psychological 3,000-point barrier on positive economic fundamentals.

London

Price movements were less violent than in recent weeks, despite continued volatility in Tokyo. The Financial Times 100-share index ended the week up 18.1 points at 2,254.8.

But government securities fared poorly, hit from all sides by weakness on the West German bond market and by a fall in the value of the pound; expectations of higher world interest rates continued to overhang the market.

In the absence of a lead from institutional investors, equity market-makers appeared happy to take what business they could at around the 2,250-point support level reached after the previous week's heavy falls, preferring to ignore Tokyo and seek reassurance from a steadier Wall Street.

Attempted rallies toward 2,500 points on the index were thwarted by growing concern over the ruling Conservative Party's recent loss of popularity. Midweek news of an unexpectedly severe worsening of Britain's balance of trade in January also weighed on sentiment.

Trading volume was thin, and although there were markdowns between rallies, dealers said there was little real selling pressure.

Milan

The bourse ended the week little changed. The MIB index lost 0.31 percent on the week, ending at 960 on Friday. The Comit indicator was off 0.25 percent, to 659.79.

Volume averaged 170 billion lire a day, against 160 billion the previous week. Some foreign investors were buying, brokers said.

Blue chips were irregular, with Fiat down just 0.05 percent on the week, Generali off 0.95 percent, RAS 2.95, and Olivetti 1.20 percent. Comit plunged 4.11 percent, while Mediobanca lost 1.93 percent on the week and Montedison eased 0.27 percent. Enimont weakened 1.34 percent after developments in the dispute over the company's ownership.

Paris

The Bourse moved independently of markets elsewhere, with the market barometer rising 2.80 percent. That left stock prices about 7.5 percent below their levels on Jan. 1.

The performance was based on encouraging French economic news, with unemployment down in January, a moderate increase in consumer prices of 0.3 percent in that month and a cut in the monthly trade deficit from 2.44 billion francs to 790 million.

The reports led Finance Minister Pierre Bérégovoy to forecast that real economic growth this year would be above predictions of around 3 percent. The franc was firm, with short-term interest rates stabilizing at 10 percent to 10.25 percent.

Singapore

Trading was greatly affected by the Tokyo market. Singapore shares were under heavy selling pressure as investors reacted to Tokyo's plunge Monday, with the Straits Times industrial index falling through the 1,500-point level to 1,486.93 in the morning. It later recovered to close at 1,506.56.

For the week, the index closed 2.5 points higher than the previous Friday at 1,551.47, while the SES all-Singapore index inched up 1.01 point to finish at 429.46.

Tokyo

The market plunged 2.4 percent on the week, largely due to the weaker yen and arbitrage selling between stocks and stock-index futures.

The Nikkei average of 225 blue chips on the market's first section declined 833.41 points, to finish Friday at 34,057.56, after plunging 2,569.35 points — or 6.9 percent — the week before.

The Tokyo Stock Price Index of all common stocks listed on the first section shed 12.34 points to end at 2,541.97, following a 164.25-point fall the previous week.

Trading was extremely erratic all week, with daily turnover averaging 592.6 million shares, up from the previous week's 423.6 million.

Zurich

Zurich prices dropped by 1.2 percent on the week, largely due to Tokyo's turbulence, analysts said.

The Swiss performance index dipped to 1,096.7 points at the end of the week, against 1,110 a week earlier. The Crédit Suisse index finished at 600.2, against 601.2 the previous Friday, while the Swiss Bank Corp. indicator closed at 636.7, against 640.

West German Stocks: Buying a Dream?

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Much as in Japan, the West German bond market has fallen sharply as interest rates have risen to startlingly high levels. But unlike Japan, the impact has not been nearly as devastating.

The Japanese stock market is down 12.48 percent for the year, with sharp one-day falls of 1,569.10 and 1,161.19 in the Nikkei 225 index in the last two weeks.

In West Germany, the market is 7.13 percent below the high for the year it reached on Feb. 6. But it is still up 1.56 percent in 1990, while all the other major markets, including those of the United States, Britain and France, are down.

Analysts at Morgan Stanley & Co. argue that the West German decline is an opportunity for investors, and they do not see a major downside risk now, even with other markets still skittish over the sharp fall in Tokyo.

But Alistair Ross Goobey of James Capel & Co. in London said the German market still poses risks.

He believes that high interest rates could push the market down another 14 percent, to about 1,550 on the DAX index of 30 leading shares. The DAX closed on Friday at 1,818.23.

Barton M. Biggs, director of worldwide strategy at Morgan Stanley, finds West Germany a haven in an otherwise dismal investing landscape that has led him to sit on the sidelines in every other market.

Mr. Ross Goobey, on the other hand, thinks that markets outside of Japan and West Germany may now be nearing their bottoms, enough so that he is ready to polish his "buying boots" but not put them on.

> **'People believe if investors are throwing money at the market, it can't go down.'**
> **Alistair Ross Goobey, James Capel & Co.**

One of the key differences of view here involves the impact of interest rates.

In both Japan and West Germany, rates have been rising all year and edged up further at the end of last week. The yield on the 10-year bond in Japan is at 7.16 percent. In West Germany, the yield is at 8.99 percent, just below its recent peak.

In assessing the impact of interest rates, analysts calculate a ratio of returns from bonds compared with stocks.

The higher the ratio, the more attractive the bond market is and the more likely that money will be drawn out of the stock market. A high ratio can thus be a signal of trouble for the stock market.

At the end of this week, the ratio in Japan was rising again at 3.58, not far from its recent high of 3.81.

In West Germany, the ratio was 4.966, below its recent high of 5.268 but also rising again.

Mr. Ross Goobey is worried by the numbers for West Germany. "This is the same sort of danger sign we saw in Japan before the stock-market fall," he said.

But Madhav Dhar, global equity strategist at Morgan Stanley, is less concerned, arguing that the impact of high rates is being offset by the long-term promise of much higher earnings as the two Germanys are reunited and Eastern Europe is developed.

"The psychological risk premium for Germany is going down," Mr. Dhar said. "People are revising up their earnings estimates."

Another reason West German stocks are holding up better despite the higher interest rates is that they are, at this time, much better value than Japanese stocks.

Japanese stocks, according to Mr. Dhar, are on average selling at prices 17 times the companies' cash flow, while West German stocks are priced at 5 times cash flow.

In addition, the Japanese economy, although it is still growing and fundamentally sound, is facing more problems, including rising oil prices and a weakening yen.

Both the Bank of Japan and the U.S. Federal Reserve sold dollars last week in an effort to support the yen. But the currency still fell, reaching 150.25 to the dollar on Friday.

Mr. Ross Goobey worries that people "are buying the dream" of the West German market and pushing their earnings estimates too high.

It seems, he said, that "people believe if investors are throwing money at the market, it can't go down."

He is not pessimistic about Germany's future, and sees economic benefits from the reunification of East and West. But he thinks the optimism has gone too far.

Enimont Puts Off Vote About Board

Reuters

MILAN — The troubled Italian chemicals joint venture, Enimont SpA, has postponed for a third time a decision on a request by its private-sector partner Montedison SpA to add two board seats for private investors.

State-owned Ente Nazionale Idrocarburi, which like Montedison controls 80 percent of Enimont, accepted Saturday's adjournment until March 28 to review a sweeping expansion plan proposed by Montedison's chairman, Raul Gardini.

It was the third time in a week that a decision had been deferred on Montedison's proposal to expand the evenly divided 10-seat board to represent private investors.

Mr. Gardini proposed incorporating in Enimont all of Montedison's remaining chemicals businesses, worth around five trillion lire ($3.9 billion), to help it compete better on world markets.

Mr. Gardini said that the transfer of Montedison's remaining chemicals units, including Himont Inc. and Ausimont NV, would be part of a 10 trillion lire capital increase involving the issue of shares and bonds, but he gave no other details.

ENI's chairman, Gabriele Cagliari, reacted cooly to Mr. Gardini's project after the meeting.

Rolls-Royce Engine Buys Part of Arab-U.S. Concern

Agence France-Presse

RIYADH — The jet-engine maker Rolls-Royce PLC is taking one-sixth of an American-Arab venture that will be co-owned by General Electric Co. and the United Technologies Corp. unit Pratt & Whitney, sources here said.

The Middle East Propulsion Center, to be built in Riyadh, will be the only service and maintenance facility in the world where shareholders are the world's three leading jet-engine makers.

The center's market will include Arab commercial fleets as well as Asian carriers, the sources said.

The center was initially planned by GE and United Technologies as part of the "Peace Shield" economic-offset program between U.S. contractors and the Saudi government to provide an advanced air-defense system for Saudi Arabia. The first phase is expected to cost $60 million.

Rolls-Royce is joining the U.S. firms within the framework of a British offset program known as "Al-Yamamah." Its 16.6 percent share is equal to that of the two other propulsion companies.

Tokyo Exchange Said to Admit 10 New Members

Reuters

TOKYO — The Tokyo Stock Exchange has informally decided to invite 10 new members, including three foreign brokerages, a Japanese newspaper reported Sunday.

According to the report, the three foreign brokerages will include units of Barclays PLC, Crédit Lyonnais, as well as James Capel Investment Services Ltd., a subsidiary of Hongkong & Shanghai Banking Corp. Currently, 114 members have seats on the exchange, including 22 foreign brokerages.

The formal decision will be made at a special committee meeting on Monday, the Nihon Keizai Shimbun said. The exchange made no immediate comment on the report.

Talks on Selling N.Y. Retailer Stall

By Woody Hochswender
New York Times Service

NEW YORK — Efforts to sell Bonwit Teller, the century-old retailer based in New York, appear to have reached an impasse, according to store executives and garment industry suppliers, and speculation mounted that the 16-store chain may be on the brink of liquidation.

But a spokesman for Sanford C. Sigoloff, chief executive of L.J. Hooker Corp., Bonwit's parent company, said the fate of the retailer would be decided this week.

"No decision has been made yet, but we are close," the spokesman said.

Both Bonwit Teller and B. Altman & Co. filed for protection under Chapter 11 of the Federal Bankruptcy Code in August, as did its parent company.

All but one of the seven B. Altman stores have since been liquidated, including the Manhattan flagship store. The B. Altman store in Cincinnati, Ohio, remains open. Bonwit Teller was put up for sale.

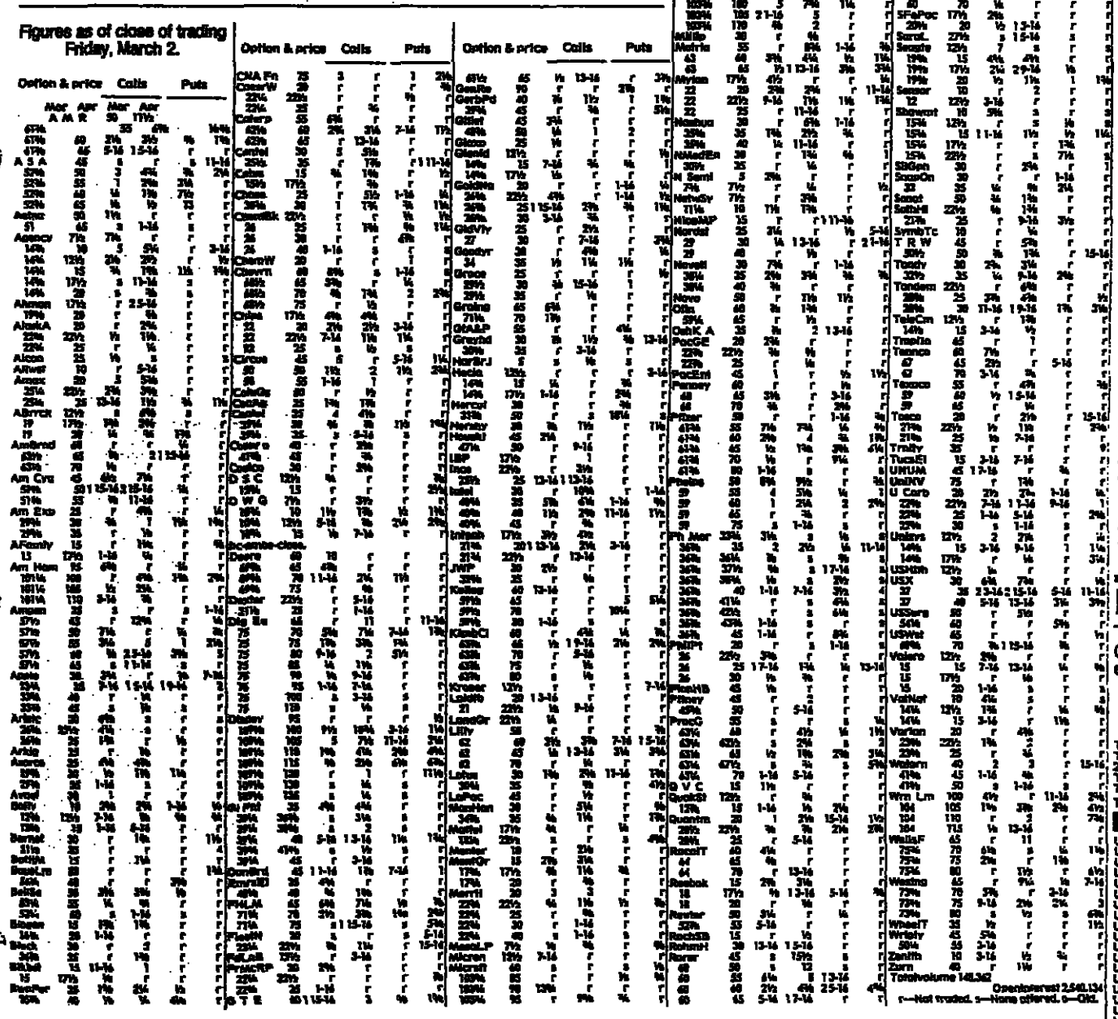
Bonwit had losses totaling $23 million in the last three years. Most of the stores are on the East Coast and in the Midwest, with two in Florida.

On Friday, Women's Wear Daily reported that an offer from Pyramid Cos., a Syracuse, New York, mall developer, to buy some of the Bonwit stores had been rejected by the Bonwit Teller creditors' committee.

Rumors swept the fashion industry that Bonwit would soon suffer the same fate as B. Altman and provide yet another blow to the New York retail community during the Easter selling season.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, March 2.

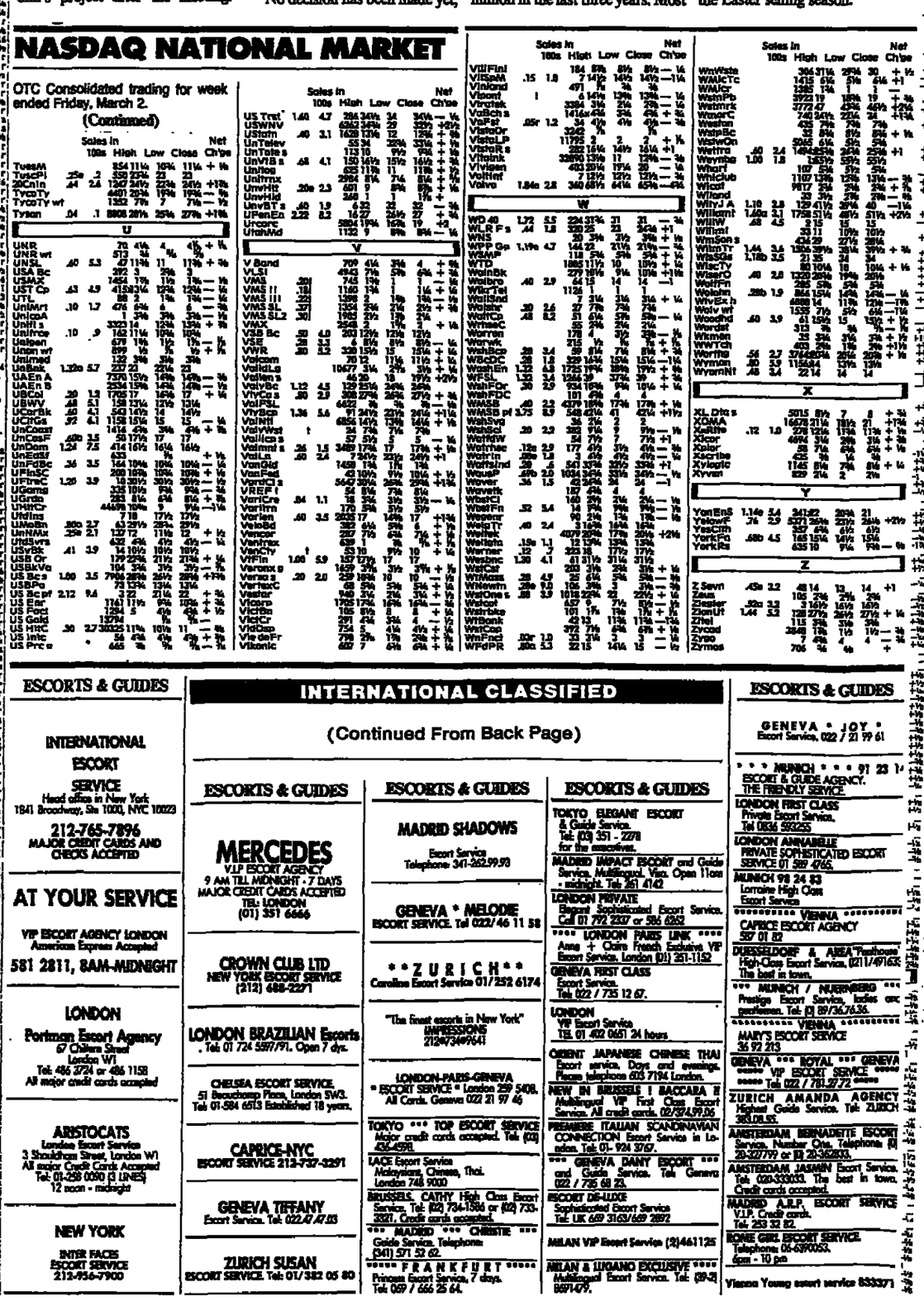


CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, March 2.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, March 2.
(Continued)



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MONDAY SPORTS

Baseball Talks Will Resume Today, Head of Union Says

The Associated Press

TAMPA, Florida — Baseball's stalled labor talks are to resume Monday after an eight-day layoff, according to the head of the players' union, Donald Fehr.

The team owners and the players have not met since Feb. 24. Fehr canceled a scheduled meeting last Monday and left New York for a cross-country trip to meet with players on the status of the talks. He briefed players in Phoenix, Los Angeles and Tampa, rallying them behind the union's stand on salary arbitration eligibility.

"There was never a lapse of contact," Fehr, who has spoken daily with the deputy commissioner, Stephen Greenberg, said Friday. "We've been in contact right along. I'll go to New York tomorrow and we'll meet on Monday."

But Fay Vincent, the commissioner, did not want to say whether anything had changed.

"Better to wait and see what happens," he said Saturday. "I haven't been in contact. I don't know whether we will be meeting or not."

Vincent previously had said that talks would not restart until the union was ready to negotiate.

Fehr met for nearly 2½ hours with about 120 players here Friday and reiterated after the meeting that the union is solid in its stand.

"We've had three meetings this week with something over 300 players and my feelings haven't changed," he said.

Added Los Angeles pitcher Orel Hershiser: "I think the main thing that was accomplished was communications between Don Fehr and the players was consistent. There is no problem. The players' position has been consistent."

Fehr, who has said the start of the regular season is in danger, had said he would not resume negotiations unless management had something new or different to say.

"I don't know if there is going to be anything new or not," he said of Monday's meeting with the owners. "I have no reason to think there is going to be a breakthrough. I've been doing this long enough, however, to understand that's what everybody always says until it happens — and they mean it."

Talks have stalemated over the union's demand to return salary arbitration eligibility to two years. Eligibility was increased to three years in the 1985 contract. The sides also disagree on minimum salary, roster size, the benefit plan and collusion protection language.

"I think we're very solid in our stand," said Mark Langston, who has a $16 million, five-year contract with the California Angels. "Hopefully, it doesn't go that long and we get it settled. But if it doesn't, we're prepared to go to war."

Earlier last week, several players — including George Brett, Carlton Fisk and Pete Incaviglia — were quoted as saying that the fight over arbitration was not worth holding up the regular season, which is scheduled to begin April 2.

"I have never noticed a crack in our solidarity in any meeting of any significance," Fehr said before Friday's briefing. "Look, when you've got 26 owners and only 26, and they are all under instructions not to talk to the press and they don't, then you don't see anything.

"When you have 750 players — and we wouldn't dream of telling them what to do — and people are following them around, somebody's going to say something that may be misconstrued or may be taken out of context or whatever — but you don't let that bother you."

Fehr implied that the union had not changed its stance — a complete rollback to two-year eligibility.

"I know what the membership is going to do," Fehr said. "If the owners think it's different, then they can break off negotiations until the players crack. But, they don't think it's different either."

Ramy Kennedy/The Associated Press

Fehr talking to Greg Matthews, left, and Ken Daly at the briefing of players in Tampa, Florida.

The Voice of the Bleachers Says: 'You Got to Play Baseball'

VANTAGE POINT/Dave Anderson

New York Times Service

NEW YORK — High atop Yankee Stadium, the sign promised "Four Weeks Until Opening Day — Tickets on Sale Now."

Unless baseball's labor dispute is settled soon, however, it's a promise that will be broken. But along the concrete plaza behind the first-base stands, the New York Yankees' advance ticket windows were open.

And in the cloudy chill, a gray-haired man wearing an olive-green windbreaker, a maroon scarf, worn gray jeans and smudged white sneakers walked up Friday to a ticket window, spoke through the thin metal slots, then strolled away holding a schedule.

"You got to play baseball," he said, turning to a bystander. "You must play baseball. This business of no games is out."

It was almost as if the fellow, who needed a shave, had appeared out of nowhere. And he preferred to maintain the mystery. Asked his name, he declined to give it.

"You don't need my name," he said, his eyes wide. "I want to stay anonymous. It's better this way."

Maybe it was better.

The more he talked, the more he sounded like the Voice of the Bleachers, the voice of every baseball fan who's wondering when the club owners and the players will stop arguing over their millions like so many feuding heirs.

"You know what happened to baseball?" he was saying now. "The lawyers got ahold of it. The fans got to exert some power to end all this bickering."

But the fans don't have any organized power to exert. And when all this bickering does end, they will forgive and forget, as they always have.

"I'm just a great baseball fan," the gray-haired man continued. "I only come to three or four games a year. Ever since the Dodgers left Brooklyn, I'm not interested in who wins the games. I just want to see good baseball.

"I grew up in Flatbush. I was an original member of the Dodger Knothole Gang. Then in 1936, when I was 13 years old, my father brought me up here. I saw Lou Gehrig play. Lou Gehrig, he swung a bat with such force, nobody ever swung like him. But my father was more interested in seeing Joe DiMaggio, who was a rookie that year. That was real baseball. All this fooling around now has got to stop."

In this elite labor dispute, each player in the major leagues last year will receive $5,000 on March 15 from the Players Association's work-stoppage fund. Most locked-out workers would consider $5,000 a bonanza to help pay the rent and buy groceries. But judging by Ron Darling's description of his $5,000 check, millionaire baseball players don't understand the real world of labor disputes.

"I call it dog-track money," the New York Mets' pitcher said at a players meeting in Phoenix.

For a player with a three-year $5.3 million contract, $5,000 is apparently walking-around money to bet at the dog tracks in Florida during spring training. But with his thoughtless description of his union benefits, Darling displayed a thoughtless disregard for all those working people who ever needed union benefits to help pay the rent and buy groceries.

The same working people who pay Darling's salary by buying tickets to Met games.

About 25 of them were in line at Shea Stadium earlier Friday, the day after the Mets' advance ticket windows opened.

"I don't read about this lockout or strike, whatever it is," said David Richter, a 26-year-old real-estate broker from Queens. "When it's over, I'll hear about it. But I'm not buying any April tickets. I don't want to have to refund 'em."

Of the 10 windows in right field near the bullpen, six were open. Many of the customers sounded as if they were there to see certain visiting teams, rather than the Mets.

"My husband's over there getting tickets for the Cardinals, the Dodgers and Cincinnati," said Rita Broderick, the wife of a retired police inspector in North Bellmore, New York. "I want to see Lou Piniella."

Richard Sundermier, an advertising manager from Rockville Centre, New York, his wife, Diane, and their two small children were waiting to buy tickets for two of baseball's most popular promotional attractions, Old-Timers' Day and Helmet Day.

"The strike stinks," Sundermier said, "but it's business."

Near the rear of the line, Ed Flynn, a 34-year-old teacher from Bethpage, New York, leaned on two metal canes and said, "I like to go Friday nights. If you don't buy tickets now, you get seats up next to God."

Over at Yankee Stadium around noon half an hour later, nobody was in line.

A ticket seller said "plenty" of customers were there when those advance ticket windows opened a week earlier. But now Luis Martinez, a Housing Authority worker who lives near Yankee Stadium, stopped at a window briefly, then walked away holding a Yankee schedule.

"I'll go home," he said, "and then decide what games to buy tickets for."

Several minutes later, the gray-haired man in the olive-green windbreaker was holding his schedule.

"I'll never forget the time I came up out of the subway here and heard this tremendous roar, what a tremendous roar," he said. "People told me Mickey Mantle just hit a home run in the ninth inning and the Yankees won. Yes, sir, a lot of exciting things happen here. Baseball in America, it's the greatest entertainment in the country. You must play baseball."

Again asked his name, he shook his head. "I want to stay anonymous," he said. "You don't need my name."

And the Voice of the Bleachers walked away.

SIDELINES

New DTSB Head Seeks German Unity

EAST BERLIN (Reuters) — East Germany's DTSB sports federation elected Martin Kilian, the head of the bobsled federation, as its new president Sunday to restore leadership to an organization shattered by the political changes that have swept the country.

Kilian, 61, told the official news agency ADN that he would begin negotiations with the West German sports federation this week as a first step to building a combined sports body when the two German states unite.

The emergency DTSB congress chose Kilian to fill the vacuum left by the resignation of Klaus Eichler, who quit three months ago after he was accused of resisting reforms in the sports sector.

Ferry Puts Off Decision on NBA Team

WASHINGTON (WP) — Danny Ferry has said he will wait until the end of the Italian League's season before deciding whether to start talking with the Cleveland Cavaliers, the National Basketball Association team that owns the rights to him.

Ferry said in a telephone interview from Italy that he is going to stick to his original plan of waiting until Messaggero's season is over before even beginning to decide whether he will remain in Italy or go to the Cavaliers next season.

His five-year contract with Messaggero has an escape clause at the end of every season, but the Cavaliers have said it is their understanding is that the contract does not allow him to play with any other team in the same year he plays in Italy. The Italian League season ends April 14, with the playoffs starting April 22 and lasting as late as June 2.

Woosnam Wins Rainy Marbella Golf

MARBELLA, Spain (Compiled Dispatches) — Ian Woosnam of Wales bounced back Sunday after losing his lead to win his first tournament of the season in the rain-shortened Mediterranean Open.

A four-hour delay followed a wash-out on Saturday and the event was reduced to 54 holes, with Woosnam shooting 74 for a six-below-par 210. He finished two strokes ahead of Eduardo Romero of Argentina and Miguel Martin of Spain. Christy O'Connor Jr. of Ireland was three strokes back at 213.

In Miami, Paul Azinger and Fred Couples each shot two-under-par 70 on Saturday to post 54-hole totals of 12-under-par 204 and share the third-round lead in the Doral Ryder Open. Couples, who started the round in a tie for the lead, trailed by as many as three strokes on the back nine before Azinger bogied the final hole. Early Saturday, Tim Thalmuller, Tom Watson's caddie, was shot during a robbery in an parking lot; he was in stable condition. *(Reuters, NYT, AP)*

Howe Attempts Comeback to Majors

NEW YORK (NYT) — Steve Howe, who won the National League rookie of the year award in 1980 pitching for the Los Angeles Dodgers before his career was shattered by cocaine addiction, is attempting a comeback after two years out of baseball.

Last in the major leagues with Texas in 1987, the left-handed reliever, 32, has received clearance from the commissioner, Fay Vincent, to start his comeback in the minor leagues. Vincent has agreed to review Howe's status around mid-season to determine if he should be permitted to play in the majors.

Darryl Strawberry of the New York Mets arrived in Florida on Saturday to begin what he termed his "new life" after a winter of turmoil and a month of treatment for alcohol abuse. He said that "I'm not a bad person, I'm a sick person getting well."

For the Record

Beate Anders of East Germany set a world indoor record Sunday for the women's 3,000-meter walk at the European Indoor Track and Field Championships in Glasgow, her time of 11 minutes, 59.36 seconds breaking the mark of 12:01.65 set by Australia's Kerry Saxby in Budapest last year. *(AP)*

Mark Breland defended his WBA welterweight title by knocking down Lloyd Honeyghan of Britain six times in less than nine minutes Saturday night in London. The referee stopped the fight at 2:15 of the third round. *(AP)*

Jay Edwards of the Los Angeles Clippers, who was suspended at the University of Indiana after testing positive for an undisclosed drug, has been suspended for the rest of the NBA season for flunking a drug test given all rookies. *(AP)*

Fred Lebow, the founder of the New York City Marathon, was released from a hospital after tests determined that he did not have a brain tumor. A biopsy found that he has encephalitis. *(AP)*

Dale Mulholland, an American who played last year in the American Soccer League, has signed with Locomotiv Moscow. *(AP)*

Romario, the Brazilian soccer star with PSV Eindhoven, broke his leg Sunday; he will be sidelined for three months. *(Reuters)*

A Scottish Mystery Is Leading Up to a Grand Dénouement

By Bob Donahue
International Herald Tribune

PARIS — The Scots remain a mystery. They play well enough to win today but not well enough to make outsiders bet they will win tomorrow. They do the job on the day — and preserve the suspense.

The Scots struggled to beat Ireland in Dublin, humbled France in Edinburgh only after the French were reduced to 14 men, and now have frustrated Wales in Cardiff. So Scotland versus England in Edinburgh will oppose unbeaten teams. Both will be going for a Five Nations sweep, the grand slam.

The suspense was worth preserving. Scotland and England launched international rugby in 1871, before the other teams existed. (France, for example, played its first international match in 1906.) They have met 105 times. But never before have they met as joint pretenders to a grand slam. Hotel rooms will be hard to come by in Edinburgh on the weekend of March 17.

"Scotland will have to improve on that, I would have thought," the new Welsh coach, Ron Waldron, said after the Cardiff match. Improve they may. Ian McGeechan and Jim Telfer, the Scottish coaches, are smart. Their men outwitted and outlasted reborn Wales. England has a crafty auld foe to beat.

Before Saturday's matches, the English manager, Geoff Cooke, indicated that Scotland's performance in Cardiff mattered little to him. "It is no disrespect to the opposition to say that we have worked more on our own game than paid undue attention to other teams' plans." Such is England's confidence this winter, and most people think it justified.

Besides, the English already knew about the defensive talents of flanker John Jeffrey and centers Scott Hastings and Sean Lineen. Patient Scotland's success in the scrums and lineouts proved nothing new against a gung-ho but inexperienced Welsh team.

"Rebuilt, revitalized but ultimately repulsed" was how Eddie Butler, a former Welsh captain, summed up the Welsh effort. Wales was defeated but not embarrassed. In retrospect, this match may be remembered as the start of a revival.

The same may be said of the French, who won a cockeyed match against Ireland in Paris. The 31 points were an all-time French high against Ireland. Yet David Irwin, a veteran center who sat out the game on Ireland's bench, made sense when he said the score could have been close, or France could have scored 50 points.

A former international referee felt that the new Scottish referee "prevented a great match" by overdoing the penalties. Didier Camberabero and Michael Kiernan exchanged penalty goals in a monotonous duet that inspired a watcher in the press box to complain about "two guys out playing golf."

Camberabero finished with 19 points from five penalty goals in five attempts and two conversions in three attempts; he has 148 points in 16 matches. Michael Kiernan's four penalty goals gave him 281 points, a European record.

An extraordinary uproar accompanied Camberabero's fifth penalty kick. The score was 18-9, so why not run the ball instead of kicking? The Paris crowd loves running rugby and has turned recently against the leadership of France's rugby establishment. The volume of raucous hooting and whistling was unheard of — no one could recall a home team thus barracked anywhere.

When the ball sailed between the posts, the din collapsed into tepid applause. The home team wisely added two tries. Albert Ferrasse, president of the French Rugby Federation, later threatened to take international matches away from Paris to Strasbourg, Nantes or Lille. More convincingly, Laurent Rodriguez, the captain, pleaded for his revamped team: "Give us time."

"Another disaster," said a veteran Irish supporter. Ireland's captain, Donal Lenihan, was bitter that his forwards' efforts — Neil Francis and Lenihan himself in the lineouts, the back row in defense, the front row in the scrums — had been wasted by artless backs. Supporter and captain both smiled through their gloom.

South Africa was a conversation topic in Paris. Ferrasse wants the Springboks back on the international circuit as soon as possible. But another senior rugby official, pointing to the recent trouble encountered by touring English cricketers, warned that outsiders should stay away until they are sure to be welcome in the new conditions of freer expression in that country.

The only present way for a South African to get into international rugby is to emigrate. Eric Melville, a South African resident of France since 1986, came on Saturday to replace the injured Jean-Marc Lhermet and was France's forward of the match in his debut. He applied for French citizenship in 1988 and obtained it officially on Jan. 10 this year.

Ireland's flyhalf, Brian Smith, is Australian. Scotland's Lineen is a New Zealander. English-born John Gallagher is New Zealand's fullback. Australia's most successful prop of recent years, Enrique Rodriguez, before played for his native Argentina.

FIVE NATIONS RUGBY

Rugby's Big Eight

Last 10 tests among the eight

	W	D	L	Tries
1. New Zealand	9	1	0	44
2. England	6	1	3	23
3. Scotland	5	1	4	18
4. Australia	4	1	5	24
5. France	4	0	6	19
6. Argentina	2	1	7	6
7. Ireland	1	0	9	9
8. Wales	1	0	9	7

SATURDAY'S RESULTS

France 31, Ireland 12

First half: Penalty goal by French flyhalf Didier Camberabero. *Penalty goal* by Irish center Michael Kiernan. Penalty goal by Camberabero. Try by French center Franck Mesnel, converted by Camberabero. Penalty goal by Kiernan.

Second half: Two penalty goals by Camberabero. Penalty goal by Kiernan. Penalty goal by Camberabero. Penalty goal by Kiernan. Try by French left wing Patrice Lagisquet. Try by Mesnel, converted by Camberabero.

Wales 9, Scotland 12

First half: Try by Scottish back Damian Cronin. Penalty goal by Welsh fullback Paul Thorburn. Two penalty goals by Scottish flyhalf Craig Chalmers.

Second half: Try by Welsh left wing Arthur Emyr, converted by Thorburn. Penalty goal by Chalmers.

Next Test (March 17)
Scotland-England

DENNIS THE MENACE

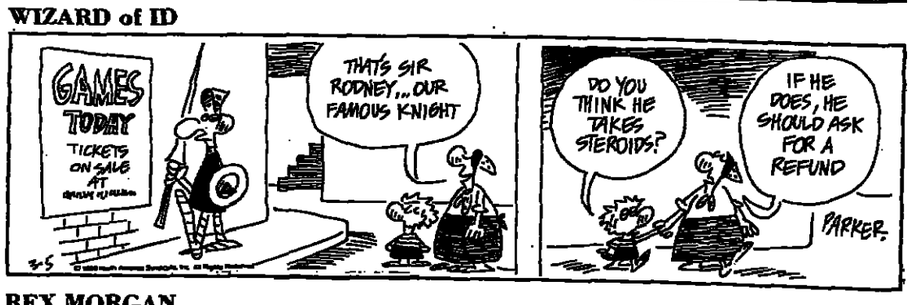
"RELAX FOR A MINUTE, MR. WILSON. I'LL BE RIGHT BACK."

PEANUTS

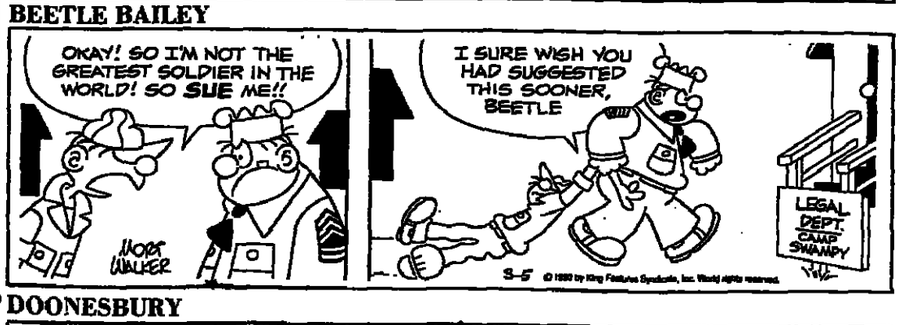
ANDY CAPP

BLONDIE

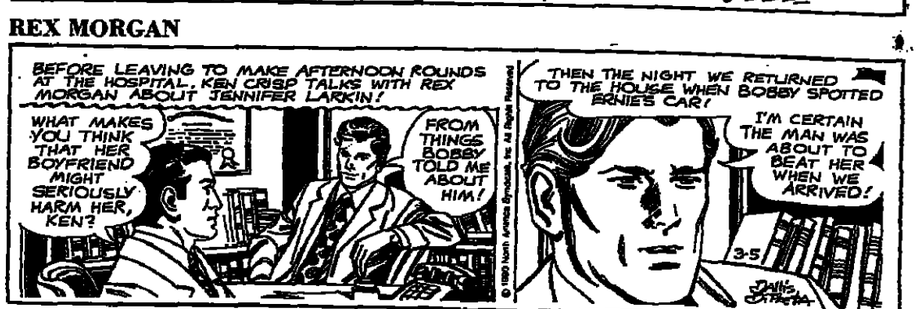
WIZARD of ID



BEETLE BAILEY



REX MORGAN



JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

NALTS

GERME

FAERRY

DOAZIC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: " " (Answers tomorrow)

Saturday's Jumbles: MAIZE ALIVE QUAVER FIESTA
Answer: In addition to money, the rich never seem to lack this — RELATIVES

DOONESBURY

GARFIELD

The Global Newspaper.

MONDAY SPORTS

Zurbriggen Clinches His 4th Overall Title, Tying Thoeni's Record

Compiled by Our Staff From Dispatches

VEYSONNAZ, Switzerland — In a fitting climax to a remarkable career, Pirmin Zurbriggen of Switzerland clinched the overall World Cup skiing title Sunday on his native soil, entering the record books with his fourth title.

Armin Bittner of West Germany clinched a second straight title in the overall slalom competition when he won Sunday's race in a combined time of 1 minute, 33.81 seconds.

In his fourth slalom victory of the season, Bittner finished .26 seconds ahead of Alberto Tomba of Italy, who was racing for the first time since he broke his collarbone in December. Hubert Strolz of Austria was third. *(See Scoreboard)*

Zurbriggen, who skied a careful race on the tricky Bear run, finished sixth. "I wasn't going for a win today, I was going for the overall title," he said.

"This victory can't be compared to my other ones," he said, "since Tomba missed so many races" and Marc Giradelli of Luxembourg "has been out since December."

Zurbriggen was assured of the title when Ole-Christian Furuseth of Norway, his nearest rival, missed a gate in the first heat.

Zurbriggen's placing Sunday boosted his point total to 312, 92 ahead of Furuseth, a slalom specialist who had clinched the giant slalom title Saturday. The Norwegian confirmed that he would not enter the two downhills in Sweden later this month, so even if he gained the maximum 75 points from the other three races left he could not catch Zurbriggen.

Zurbriggen, who also won the overall title in 1984, 1987 and 1988, shares a place in history with Gustavo Thoeni, who was overall champion in 1971, 1972, 1973 and 1975.

"When I entered my first World Cup season in 1981, Thoeni was already a legend," the 28-year-old Swiss skier said. "I never thought I would meet the legend at the top."

He added that he hoped to win another downhill before his retirement at the end of the season.

"It's important for me to quit while I'm a potential winner," he said.

On Saturday, Furuseth clinched the giant-slalom title but the hero of day was Fredrik Nyberg of Sweden, who won his first World Cup race, timed in 2 minutes 25.50 seconds. Furuseth finished eighth.

Nyberg, 20, was .31 seconds ahead of Strolz. Swedes and Austrians dominated the event, capturing the top six places.

"I still can't believe I won," said Nyberg, who had earned his first points this season in January when he placed sixth in a giant slalom in Alta Badia, Italy.

Furuseth's eighth place was enough to earn him the title. Although Günther Mader of Austria, who placed sixth Saturday, also finished with 96 points, Furuseth had one victory and two second-place finishes, compared with Mader's one victory and one second.

Bittner's victory Sunday boosted his slalom point-total to 135. With two slaloms left his 81-point lead over Furuseth is unsurmountable.

"I didn't know that I had won," he said. "But this has been my goal all season long."

He added: "The only thing that didn't work this season was when I straddled the gate at Kranjska Gora. Otherwise, I would have won five times." *(AP, Reuters, UPI)*

Steve Jacobs/The Associated Press

Georgetown's Mark Tillmon colliding with Michael Edwards of Syracuse in the first half on Sunday.

No. 10 Syracuse Defeats No. 7 Georgetown in OT

The Associated Press

Stephen Thompson's layup off a pass from Derrick Coleman with 25 seconds left in overtime Sunday gave No. 10 Syracuse an 89-87 victory over No. 7 Georgetown in a game that saw the ejection of John Thompson, Georgetown's coach.

The victory in Syracuse, New York, gave the Orangemen the top seed in the Big East tournament that begins next week.

It was a wild game, highlighted by the first-half ejection of Thompson, who was called for three straight technicals. Coleman made seven of eight free throws in the sequence, then Billy Owens sank a three-pointer in what became a 10-point Syracuse turnaround.

"Basically what happened is that it's probably my fault more than the officials' fault," Thompson said of his first ejection in 15 years.

"I have respect for all three of them and have worked with them all before. I probably let my competitive juices flow and those of us who have competed understand that. I made a mistake and that's that."

Georgetown seemed to have won in regulation time after Alonzo Mourning sank two foul shots with four seconds left for an 81-79 lead. But Sam Jefferson fouled Owens at midcourt and Owens's two free throws tied the score.

With Syracuse holding an 89-86 lead and nine seconds left in overtime, Dikembe Mutombo made a free throw for the Hoyas. He missed the second and Coleman knocked the ball out of bounds, giving Georgetown one more shot. But Mourning's baseline jumper went over the basket.

Syracuse 22-5 overall, finished as Big East regular season co-champion with Connecticut at 12-4. The Orangemen earned the top seed at the tournament because they swept two games against third-place Georgetown and Connecticut split with the Hoyas (22-5, 11-5).

In games on Saturday, The Associated Press reported:

Counted into the National Collegiate Athletic Association post-season tournament after a victory two weeks ago over Syracuse, which was ranked fourth, Notre Dame followed with three straight losses and was nearly counted out.

Count the Irish back in after a 98-67 rout of No. 3 Missouri in South Bend, Indiana.

The Irish had little trouble with the Tigers, who played little defense. The Irish led, 46-33, at halftime, then started the second half with a 20-4 run against five substitutes sent in by Missouri's coach, Norm Stewart, whose team clinched the Big Eight regular-season championship last week.

Three teams won their way into the 64-team NCAA tournament. Princeton took its second straight Ivy League title with a 73-46 victory over Columbia; Coppin State won the Mid-Eastern Athletic Conference championship by defeating North Carolina A&T, 54-50, and Robert Morris beat Monmouth, New Jersey, 71-66, to win the Northeast Conference berth.

No. 1 Kansas 96, Iowa St. 63: In Lawrence, Kansas, Kevin Pritchard led a 14-2 run at the end of the first half for Kansas (28-3), which tied Oklahoma for second in the Big Eight conference.

COLLEGE BASKETBALL

No. 2 UNLV 103, Fullerton St. 85: David Butler scored 26 points, Anderson Hunt had 22, Greg Anthony had 15 and Larry Johnson had 12 rebounds and 11 points for UNLV (26-5), which led at halftime, 55-34, in Fullerton, California.

UNLV earned a share of the Big West regular-season title but lost the top seed in the conference tournament to No. 24 New Mexico State, which beat Fresno State. The Aggies earned the top seed because they twice beat third-place UC-Santa Barbara, which split with UNLV.

No. 4 Connecticut 95, Boston College 74: Nadav Henefeld led Connecticut (25-5) with 18 points in Boston.

No. 5 Oklahoma 107, Oklahoma St. 94: In Stillwater, Oklahoma, William Davis had 27 points, 10 in a 27-2 second-half run for the Sooners (23-4).

No. 11 Georgia Tech 85, No. 20 Clemson 69: Brian Oliver scored 34 points, Dennis Scott 25 and Kenny Anderson 21 in Atlanta as Georgia Tech snapped Clemson's eight-game winning streak.

No. 12 Arkansas 104, Rice 80: In Fayetteville, Arkansas, Todd Day scored 24 points as Arkansas (23-4) won the Southwest Conference regular-season championship.

No. 13 La Salle 90, Fairfield 60: Lionel Simmons scored 34 points and grabbed 11 rebounds to lead La Salle (27-1) to its 19th straight victory in the quarterfinals of the Metro Atlantic Athletic Conference tournament in Albany, New York.

No. 14 Michigan St. 75, No. 17 Minnesota 73: In Minneapolis, Steve Smith's jumper with 29 seconds left in overtime capped a career-high 39-point effort, giving the Spartans (24-5) a one-game lead in the Big Ten with two games left.

No. 15 LSU 103, Mississippi 94: In Baton Rouge, Louisiana, Chris Jackson scored 37 points and Shaquille O'Neal had 20 points and 14 rebounds for LSU (21-5), which tied Alabama for second in the Southeastern Conference.

No. 23 Arizona 87, No. 16 Oregon State 60: In Tucson, Arizona, Matt Muehlebach had 29 points, 15 on three-pointers, and Arizona's defense stifled Gary Payton as the teams tied for the Pac-10 title.

Dayton 111, No. 19 Xavier 108: Negele Knight scored 30 points and Ray Springer had a career-high 26 in Dayton, Ohio.

No. 21 Louisville 73, S. Mississippi 71: Louisville's Cornelius Holden set an NCAA Divison I record by making all 14 shots as the Cardinals came back from a 42-36 halftime deficit in Hattiesburg, Mississippi, to win the Metro Conference regular-season title.

The previous Division I record was 13-of-13 by six players. The last to do it was Brad Daugherty of North Carolina against UCLA on Nov. 24, 1985. The overall NCAA mark is 20-for-20 by Lance Berwald of Division II North Dakota State against Augustana, South Dakota, on Feb. 17, 1984.

No. 22 Loyola Marymount 121, Gonzaga 84: Hank Gathers scored 28 points, Jeff Fryer added 25 and Bo Kimble had 21 as Loyola Marymount (23-5) set a tournament scoring record in the first round of the West Coast Conference tournament in Los Angeles. The Lions broke their own record of 112 points set last year.

No. 24 New Mexico St. 82, Fresno St. 68: Keith Hill scored 21 points as New Mexico State broke the game open early, taking a 23-11 lead after 7:42 in Fresno, California.

No. 25 Georgia 94, Auburn 79: In Auburn, Alabama, Litterial Green scored 30 points, 11 during a decisive 16-0 run, as the Bulldogs (20-7) clinched their first outright Southeastern Conference title.

'Magic' Plans To Wed, Retire

Compiled by Our Staff From Dispatches

INGLEWOOD, California — Magic Johnson, one of the most eligible bachelors in the National Basketball Association, is going to get married.

And, said the Los Angeles Lakers' all-star guard, he plans to retire when his contract expires in three years, then own his own team in the league.

Johnson, 30, said through his agent, Lon Rosen, that he will wed Cookie Kelly, whom he reportedly dated at Michigan State. No date was set.

Kelly, a native of Detroit who lives in Los Angeles and works in the fashion industry, and Johnson called off a previous engagement four years ago.

Johnson told CBS News: "My knees can't take it more than the three years I have left. To be able to chase my kids around, chase my wife, chase my nephews and nieces around, I need these another 50, 60, 70 years. If I play 5, 6, 7 more years, it's gonna kill me." *(AP, UPI)*

Shackleford Denies Involvement in N.C. State Point-Shaving

By Clifton Brown
New York Times Service

EAST RUTHERFORD, New Jersey — Charles Shackleford has denied involvement with any point-shaving at North Carolina State.

Shackleford, who now plays for the New Jersey Nets of the National Basketball Association, did not answer questions after reading nervously from a written statement in his first public reply to allegations of point-shaving during his collegiate career.

During the news conference Saturday at Byrne Meadowlands Arena, where the Nets play, he was accompanied by his agent and lawyer, Salvatore DiFazio. The allegations of point-shaving surfaced earlier last week.

During his one-minute statement, the 23-year-old power forward said: "I asked for this press conference because I wanted a chance to comment on what has been said in the newspapers over the past week. I never shaved points at North Carolina State.

"I did take money from an agent. I was young and I was poor. I was offered money and I took it. I borrowed the money from another person because I thought it was my only way out.

"What I did was wrong. I know that now. I paid both people back almost two years ago.

"I don't say that being young and poor is an excuse for what I did. It's not, but it is the reason why I took the money.

"I am sorry for all the embarrassment that this has caused to my family, my friends and my teammates. I am also sorry for the trouble it has caused for North Carolina State University, Coach [Jim] Valvano and the Nets' organization."

Shackleford has not played since Feb. 21 because of an infected right elbow, but probably be healthy enough to do so this week.

He is to be arraigned Thursday in Orange, New Jersey, on a disorderly person charge stemming from his arrest last Thursday for possessing a small amount of marijuana. Police said the offense carries a maximum penalty upon conviction of up to six months in jail and a $1,000 fine.

After Shackleford's statement, Harry Weltman, the Nets' general manager, said the team would not take any disciplinary action until all the facts were in concerning the marijuana arrest.

The NBA drug policy does not include penalties for marijuana use.

■ Valvano Offers to Resign

Valvano has said he will resign as North Carolina State's basketball coach if the university requests it, but has angrily denied responsibility for the events that have led to a state criminal investigation into allegations of point-shaving, The Washington Post reported.

Valvano returned Friday to the campus in Raleigh, North Carolina, from a trip to New York amid increasing demands for his dismissal. A faculty petition and four newspapers in the state called for him to step down in response to year-long problems in the basketball program, which began with NCAA probation and have blossomed into criminal inquiries in North Carolina and New Jersey.

"I'm as angry as I've ever been in my life," Valvano told reporters as he arrived at Raleigh-Durham airport. "I'm not implicated in any way, in any violations, from the start. I think it's time some of the blame be put where it belongs, on the people involved."

He added: "I am perfectly ready to accept what the university thinks is best."

[His attorney, Art Kaminsky, arrived in Raleigh on Saturday and met with school officials that night, The Associated Press reported.

["The chancellor would like any of the conversations that might ensue to be held with privacy," the interim athletic director, Harold B. Hopfenberg, told The News & Observer of Raleigh on Saturday night.]

ABC reported Friday night that Valvano had told friends that his "days are numbered" at N.C. State.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

	W	L	Pct	GB
New York	37	20	.649	—
Philadelphia	36	22	.621	1½
Boston	34	22	.607	2½
Washington	23	36	.390	15
New Jersey	14	43	.246	23
Miami	12	47	.203	26

Central Division

	W	L	Pct	GB
Detroit	43	15	.741	—
Chicago	36	20	.643	6
Milwaukee	32	26	.552	11
Indiana	30	28	.517	13
Atlanta	28	30	.483	15
Cleveland	25	31	.446	17
Orlando	16	42	.276	27

WESTERN CONFERENCE

Midwest Division

	W	L	Pct	GB
Utah	41	16	.719	—
San Antonio	38	19	.667	3
Dallas	32	26	.552	9½
Denver	31	26	.544	10
Houston	26	31	.456	15
Minnesota	15	41	.268	25½
Charlotte	10	45	.182	30

Pacific Division

	W	L	Pct	GB
L.A. Lakers	42	13	.764	—
Portland	39	18	.684	4
Phoenix	36	19	.655	6
Seattle	29	28	.509	14
Golden State	25	32	.439	18
L.A. Clippers	23	34	.404	20
Sacramento	17	40	.298	26

FRIDAY'S RESULTS

Boston 36 28 25 33—122
Miami 29 23 25 33—110
Bird 13-20 2-2 28, McHale 8-10 8-9 26; Seikaly 11-21 3-6 25, Long 9-12 1-3 19. Rebounds: Boston 55 (Parish 14), Miami 44 (Long 9). Assists: Boston 31 (Johnson 10), Miami 33 (Douglas 10).
Milwaukee 23 31 30 26—110
Atlanta 33 26 34 39—132
Anderson 11-15 2-3 24, Pierce 9-17 6-7 24; Wilkins 19-22 5-6 44, Levingston 8-11 3-3 19. Rebounds: Milwaukee 38 (Grayer 11), Atlanta 47 (Willis 12). Assists: Milwaukee 25 (Humphries 8), Atlanta 37 (Smith 12).
Philadelphia 34 31 24 25 8—112
Detroit 34 28 26 24 11—115
Barkley 9-23 8-11 26, Mahorn 6-11 8-12 20, Brooks 7-13 5-5 20; Dumars 8-14 18-19 34, Edwards 9-14 8-10 26. Rebounds: Philadelphia 56 (Barkley 14), Detroit 58 (Rodman 13). Assists: Philadelphia 15 (Brooks 7), Detroit 22 (Thomas 12).
New Jersey 21 16 24 30— 91
Chicago 27 31 19 25—112
Bowie 8-16 1-1 18, Hopson 7-17 3-4 18; Pippen 11-18 1-2 23, Jordan 8-12 5-6 23. Rebounds: New Jersey 52 (Bowie, Dudley 11), Chicago 60 (Grant, King 10). Assists: New Jersey 21 (Morris, Conner 4), Chicago 33 (Paxson 7).
Phoenix 22 29 21 30—102
Dallas 26 26 25 31—108
Chambers 12-21 4-4 28, K.Johnson 11-16 5-5 28; Perkins 9-22 9-10 27, Harper 11-20 1-2 25. Assists: Phoenix 20 (K.Johnson, Hornacek 6), Dallas 22 (Harper 11).
Golden State 25 33 26 31—115
San Antonio 34 29 36 32—131
Mullin 12-20 6-6 30, Teagle 8-16 3-3 19, Richmond 6-13 7-10 19; Robinson 12-21 17-22 41, Cummings 13-23 2-2 29. Rebounds: Golden State 43 (Mullin 7), San Antonio 66 (Robinson 17). Assists: Golden State 21 (Mullin 8), San Antonio 32 (Strickland 9).
Minnesota 19 26 12 26—83
Seattle 26 26 28 19—99
Richardson 8-15 2-2 19, Murphy 6-10 3-3 16; McKey 7-15 4-4 18, Kemp 5-8 6-7 16. Rebounds: Minnesota 47 (Mitchell 9), Seattle 62 (McKey 9). Assists: Minnesota 21 (Lowe 6), Seattle 22 (McMillan 10).
Cleveland 24 15 25 29— 93
LA Lakers 28 29 35 32—124
Nance 9-18 3-5 21, Brown 5-9 5-6 15; Johnson 9-15 5-5 26, Scott 7-13 0-0 17, Woolridge 6-7 5-6 17. Rebounds: Cleveland 44 (Nance 11), Los Angeles 55 (Green, Divac 7). Assists: Cleveland 24 (Kerr 8), Los Angeles 32 (Johnson 8).

SATURDAY'S RESULTS

Atlanta 23 27 29 30—109
New Jersey 27 27 28 32—114
Wilkins 15-26 6-8 36, Malone 8-15 6-8 22; Bowie 9-16 7-8 25, Short 8-13 4-4 20. Rebounds: Atlanta 48 (Willis 12), New Jersey 52 (Bowie 12). Assists: Atlanta 21 (Smith 8), New Jersey 17 (Conner 10).
Sacramento 30 21 28 25—104
Charlotte 29 28 22 24—103
Tisdale 11-22 3-3 25, Carr 10-16 3-3 23; Bogues 10-14 2-2 22, Chapman 6-15 4-6 16. Rebounds: Sacramento 45 (Carr 9), Charlotte 58 (J.R. Reid 14). Assists: Sacramento 30 (Ainge 12), Charlotte 26 (Bogues 14).
Washington 28 24 26 33 9 12—132
Orlando 33 23 21 34 9 8—128
King 12-29 9-11 34, Malone 12-28 2-5 26; Theus 10-20 6-6 26, Catledge 10-22 2-4 22. Rebounds: Washington 78 (Jones, Alarie 13), Orlando 73 (Green 16). Assists: Washington 30 (King, Walker 7), Orlando 30 (Theus 9).
LA Clippers 21 33 27 26—107
Indiana 28 21 27 29—105
C.Smith 13-20 14-17 40, Norman 13-22 2-4 28; Miller 7-13 13-15 28, Person 8-16 5-6 23. Rebounds: Los Angeles 46 (Norman 8), Indiana 38 (Schrempf 13). Assists: Los Angeles 22 (Garland 8), Indiana 17 (Person, Fleming, Miller, Schrempf 4).
Golden State 32 13 37 33—109
Houston 26 34 30 39—129
Mullin 10-15 1-2 23, Hardaway 8-18 0-0 16; Olajuwon 13-25 3-4 29, Floyd 9-15 2-2 21. Rebounds: Golden State 54 (Tolbert 11), Houston 65 (Olajuwon 18). Assists: Golden State 25 (Hardaway 7), Houston 36 (Floyd 11).
New York 22 29 26 29—106
Milwaukee 26 22 27 30—105
Ewing 10-21 11-15 31, Oakley 9-15 5-7 23; Humphries 6-12 1-2 15, Pierce 12-20 11-12 35. Rebounds: New York 60 (Oakley 13), Milwaukee 49 (Robertson 10). Assists: New York 25 (Jackson 7), Milwaukee 19 (Lohaus, Humphries 5).
Dallas 26 18 20 25— 89
Denver 27 29 19 31—106
Perkins 8-10 0-3 16, White 5-10 2-2 12; English 11-19 2-3 24, W.Davis 7-13 2-2 16. Rebounds: Dallas 40 (Wennington 7), Denver 67 (Schayes 13). Assists: Dallas 21 (Harper 6), Denver 26 (Lever 9).
San Antonio 20 31 23 24— 98
Utah 34 20 31 27—112
Cummings 11-22 7-9 29, Robinson 9-17 7-12 25; Malone 15-27 6-7 36, Stockton 9-10 2-3 22. Rebounds: San Antonio 53 (Robinson 12), Utah 48 (Malone 15). Assists: San Antonio 24 (Strickland 6), Utah 28 (Stockton 20).
Seattle 22 26 19 31— 98
Portland 28 28 25 29—110
McKey 7-11 8-11 22, Barros 8-18 2-4 20; Drexler 8-17 4-4 20, Petrovic 4-6 9-10 17. Rebounds: Seattle 59 (Cage, McMillan 10), Portland 52 (Williams 12). Assists: Seattle 19 (McMillan 7), Portland 23 (Porter 10).

Selected College Scores

FRIDAY'S RESULTS

Brown 80, Harvard 60
Columbia 74, Penn 69
Princeton 64, Cornell 41
Yale 68, Dartmouth 45
Cent. Florida 86, Liberty 79

TOURNAMENTS
American South Conference
First Round
SW Louisiana 83, Arkansas St. 69
Texas-Pan American 92, Lamar 82
Big South Conference
Semifinals
Coastal Carolina 62, Winthrop 49
N.C.-Asheville 78, Radford 72
Metro Atlantic Athletic Conference
First Round
Army 58, St. Peter's 56
Canisius 61, Manhattan 59
Fairfield 66, Niagara 63, OT
Fordham 81, Loyola, Md. 61
Mid-Eastern Athletic Conference
Semifinals
Coppin St. 48, S. Carolina St. 37
N. Carolina A&T 65, Florida A&M 64
Northeast Conference
Semifinals
Monmouth, N.J. 71, Wagner 50
Robert Morris 78, Fairleigh Dickinson 58

Southern Conference
First Round
Appalachian St. 86, Citadel 71
E. Tennessee St. 74, W. Carolina 60
Furman 82, Marshall 77, OT
VMI 83, Tn.-Chattanooga 69

SATURDAY'S RESULTS
EAST
Connecticut 95, Boston College 74
Dartmouth 62, Brown 61
Hartford 79, Vermont 55
New Hampshire 74, Colgate 72
Northeastern 93, Boston U. 83
Penn 81, Cornell 68
Princeton 73, Columbia 46
Providence 85, Pittsburgh 74
Seton Hall 71, St. John's 65
Yale 82, Harvard 78

SOUTH
Alabama 63, Florida 54
Centenary 99, Mercer 91
Davidson 82, St. Joseph's, Maine 61
Florida St. 79, South Carolina 70
Georgia 94, Auburn 79
Georgia Tech 85, Clemson 69
Grambling St. 86, Miss. Valley St. 81, 2OT
Jackson St. 82, Alabama St. 78
LSU 103, Mississippi 94
Louisville 73, S. Mississippi 71
Maryland 89, Virginia 74
Miami, Fla. 93, Tulane 60
Mississippi St. 64, Texas Christian 60
NE Illinois 85, Nicholls St. 75
Southern U. 112, Alcorn St. 88
Vanderbilt 98, Tennessee 74
Virginia Tech 87, Memphis St. 74

MIDWEST
Ball St. 84, Cent. Michigan 57
Dayton 111, Xavier, Ohio 108
Detroit 69, Loyola, Ill. 67
E. Michigan 82, Youngstown St. 71
Indiana 70, Wisconsin 68
Kansas 96, Iowa St. 63
Kansas St. 80, Nebraska 57
Kent St. 79, Bowling Green 70
Maine 92, E. Illinois 89, OT
Marquette 90, Butler 70
Miami, Ohio 93, Ohio U. 76
Michigan St. 75, Minnesota 73, OT
Notre Dame 98, Missouri 67
Ohio St. 95, Northwestern 86
Texas 89, DePaul 79
Toledo 77, W. Michigan 73
Wright St. 112, Chicago St. 94

SOUTHWEST
Ark.-Little Rock 77, Samford 70
Arkansas 104, Rice 80
Hardin-Simmons 65, Georgia Southern 64
Oklahoma 107, Oklahoma St. 94
Southern Meth. 76, Baylor 64
Stetson 87, Texas-San Antonio 83
Texas Southern 109, Prairie View 79

FAR WEST
Air Force 72, Utah 61
Arizona 87, Oregon St. 60
Arizona St. 75, Oregon 71
Colorado St. 62, San Diego St. 45
Montana 80, Idaho St. 62
Montana St. 92, S. Utah 78
Nevada-Reno 100, N. Arizona 66
New Mexico St. 82, Fresno St. 68
Southern Cal 91, Washington St. 75
U.S. International 90, Akron 77
UC Irvine 80, Utah St. 76
UC Santa Barbara 77, San Jose St. 76
UNLV 103, Fullerton St. 85
Weber St. 77, Boise St. 74, OT
Wyoming 61, Hawaii 60

TOURNAMENTS
American South Conference
Semifinals
New Orleans 91, SW Louisiana 76
Texas-Pan American 82, Louisiana Tech 76
Atlantic 10 Conference
First Round
Duquesne 96, St. Joseph's 78
George Washington 85, St. Bonaventure 77
Big South Conference
Championship
Coastal Carolina 76, N.C.-Asheville 73
Colonial Athletic Association
First Round
American U. 71, Navy 61
George Mason 66, East Carolina 62
James Madison 93, William & Mary 83
Richmond 67, N.C.-Wilmington 52

East Coast Conference
First Round
Bucknell 72, Hofstra 67
Delaware 57, Lafayette 54, 2OT
Lehigh 76, Drexel 75
Towson St. 74, Rider 63
Metro Atlantic Athletic Conference
Quarterfinals
Fordham 69, Iona 66
Holy Cross 87, Army 62
La Salle 90, Fairfield 60
Siena 71, Canisius 53
Mid-Eastern Athletic Conference
Championship
Coppin St. 54, N. Carolina A&T 50
Missouri Valley Conference
First Round
Creighton 78, Wichita St. 66
Illinois St. 77, Drake 62
S. Illinois 70, Indiana St. 54
Tulsa 71, Bradley 69
Northeast Conference
Championship
Robert Morris 71, Monmouth, N.J. 66
Ohio Valley Conference
First Round
Austin Peay 75, Tennessee Tech 57
E. Kentucky 65, Middle Tenn. 52
Morehead St. 92, Tennessee St. 89
Southern Conference
Semifinals
Appalachian St. 79, Furman 62
E. Tennessee St. 99, VMI 94
Sun Belt Conference
First Round
Ala.-Birmingham 83, Va. Commonwealth 68
Jacksonville 94, Old Dominion 88
N.C. Charlotte 91, W. Kentucky 67
South Florida 80, South Alabama 78
West Coast Conference
First Round
Loyola Marymount 121, Gonzaga 84
Pepperdine 94, St. Mary's, Cal. 83
Portland 65, Santa Clara 62

SKIING

World Cup

MEN'S GIANT SLALOM
Saturday, in Veysonnaz, Switzerland
1. Fredrik Nyberg, Sweden, 2 minutes, 25.50 seconds; 2. Hubert Strolz, Austria, 2:25.81; 3. Richard Kroell, Austria, 2:25.94; 4. Johan Wallner, Sweden, 2:25.98; 5. Lars-Boerje Eriksson, Sweden, 2:26.02; 6. Günther Mader, Austria, 2:26.11; 7. Armin Bittner, West Germany, 2:26.13; 8. Ole-Christian Furuseth, Norway, 2:26.22; 9. Pirmin Zurbriggen, Switzerland, 2:26.29; 10. Tomaz Cizman, Yugoslavia, 2:26:58.

Final Giant Slalom Standings
1. Furuseth 96 points; 2. Mader 96; 3. Strolz 71; 4. Kroell 65; 5. Eriksson 56; 6. Zurbriggen 48; 7. Bittner 43; 8. Rudolf Nierlich, Austria, 42; 9. Nyberg, 35; 10 Hans Pieren, Switzerland, 31.

MEN'S SLALOM
Sunday, in Veysonnaz, Switzerland
1. Bittner 1 minute 33.81 seconds; 2. Alberto Tomba, Italy, 1:34.07; 3. Strolz 1:35.37; 4. Tetsuya Okabe, Japan, 1:35.39; 5. Konrad Ladstatter, Italy, 1:35.85; 6. Zurbriggen 1:36.12; 7. Patrice Bianchi, France, and Roberto Spampatti, Italy, 1:36.27; 9. Didier Bouvet, France, 1:36.33; 10. Josef Polig, Italy, 1:36.41.

Slalom Standings
(After 8 of 10 races)
1. Bittner 135 points; 2. Furuseth 81; 3. Bernhard Gstrein, Austria, 80; 4. Michael Tritscher, Austria, 65; 5. Ladstaetter 59; 6. Paul Accola, Switzerland, 58; 7. Jonas Nilsson, Sweden, 54; 8. Okabe 53; 9. Zurbriggen 49; 10. Nierlich and Strolz 48.

Overall Standings
(After 29 of 34 races)
1. Zurbriggen 312 points; 2. Furuseth 220; 3. Mader, Austria, 203; 4. Bittner 178; 5. Strolz 146; 6. Helmut Höflehner, Austria, 139; 7. Atle Skaardal, Norway, 122; 8. Eriksson 112; 9. Accola 109; 10. Franck Piccard, France, 101.

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division

	W	L	T	Pts	GF	GA
NY Rangers	30	26	11	71	223	219
Pittsburgh	30	31	5	65	272	298
NY Islanders	28	31	8	64	240	243
New Jersey	27	30	8	62	234	248
Philadelphia	26	32	9	61	246	242
Washington	28	34	4	60	248	241

Adams Division

	W	L	T	Pts	GF	GA
x-Boston	40	22	5	85	241	189
x-Buffalo	36	24	7	79	227	208
x-Montreal	35	26	7	77	244	202
x-Hartford	31	28	7	69	230	228
Quebec	11	47	7	29	198	327

CAMPBELL CONFERENCE

Norris Division

	W	L	T	Pts	GF	GA
St. Louis	34	25	8	76	253	222
Chicago	35	27	4	74	267	247
Toronto	33	31	3	69	298	300
Detroit	25	32	10	60	251	274
Minnesota	28	35	3	59	226	243

Smythe Division

	W	L	T	Pts	GF	GA
x-Calgary	32	21	13	77	281	220
x-Edmonton	32	23	12	76	266	236
Winnipeg	31	27	8	70	246	241
Los Angeles	28	31	6	62	280	274
Vancouver	20	37	11	51	204	265

x-clinched playoff berth

FRIDAY'S RESULTS

N.Y. Islanders 0 3 0—3
N.Y. Rangers 2 1 3—6
D.King (12), McDonough 2 (17); Wilson (9), Mallette (7), Ogrodnick (38), Turcotte 2 (27), Dahlen (18). Shots on goal: N.Y. Islanders (on Vanbiesbrouck) 3-10-11—24; N.Y. Rangers (on Healy) 12-12-8—32.
Toronto 0 2 0 0—2
Detroit 0 1 1 1—3
Thibaudeau (11), Marois (30); Gallant (33), Yzerman 2 (53). Shots on goal: Toronto (on Cheveldae) 9-12-1-5—27; Detroit (on Reese) 6-10-10-2—28.
Pittsburgh 1 1 3—5
New Jersey 2 2 2—6
Cullen (27), Tanti (25), Recchi (26), DeLorme (2), Stevens (24); Kasatonov (3), Fetisov (7), Morris (1), Conacher (1), Turgeon (29), Brooke (8). Shots on goal: Pittsburgh (on Terreri) 11-13-6—30; New Jersey (on Young) 8-17-12—37.
Hartford 1 1 2—4
Washington 2 1 0—3
Verbeek 2 (35), Dinean 2 (22); Courtnall (28), Tucker (10), Courtnall (29). Shots on goal: Hartford (on Hrivnak) 9-7-9—25; Washington (on Liut) 6-10-10—26.
Los Angeles 1 1 1—3
Winnipeg 4 2 3—9
Taylor (12), Duchesne (19), Watters (1); Steen (14), McLlwain (21), Numminen (8), Fenton (25), Olausson (7), Sykes 2 (8), Evans 2 (5). Shots on goal: Los Angeles (on Beauregard) 8-7-11—26; Winnipeg (on Stauber, Scott) 15-10-9—34.

SATURDAY'S RESULTS

Chicago 2 0 1—3
Boston 1 1 2—4
Graham (21), Van Dorp (5), Lemieux (10); Neely (46), Propp (14), Poulin (14), Neely (47). Shots on goal: Chicago (on Lemlin) 7-7-8—22; Boston (on Chevrier) 9-8-12—29.
N.Y. Rangers 0 3 1—4
Hartford 1 3 2—6
Turcotte (28), Ogrodnick (39), Mullen (19), Kisio (15); Francis 2 (27), Jennings (3), Evason (15), Verbeek (36), Young (23). Shots on goal: New York (on Sidorkiewicz) 10-8-11—29; Hartford (on Richter) 12-19-7—38.
Buffalo 1 2 0 0—3
Quebec 1 0 2 0—3
Turgeon (32), Andreychuk (29), Snuggerud (11); McRae (4), Gillis (8), Stastny (23). Shots on goal: Buffalo (on Millen) 10-11-11-1—33; Quebec (on Malarchuk) 14-9-11-1—35.
Vancouver 0 1 0—1
Calgary 2 1 2—5
Reinhart (13); Mullen (28), Gilmour (21), MacInnis (22), MacLellan (14), Macoun (7). Shots on goal: Vancouver (on Wamsley) 7-12-7—26; Calgary (on McLean) 14-6-8—28.
Detroit 3 3 0—6
Toronto 1 0 1—2
Chiasson (14), Barr (7), Kocur (14), Racine (4), Yzerman (54); Damphousse (24), Marois (31). Shots on goal: Detroit (on Bester) 15-11-3—29; Toronto (on Cheveldae) 5-9-13—27.
Philadelphia 0 1 2—3
Edmonton 2 1 2—5
Craven (21), Kerr (21), Murphy (11); MacTavish (19), Messier 4 (39). Shots on goal: Philadelphia (on Fuhr) 13-10-15—38; Edmonton (on Hextall) 10-14-7—31.
Montreal 0 1 1—2
Minnesota 0 3 0—3
Naslund (19), Lefebvre (2), Barber (10); Bellows (41), A.Broten (16). Shots on goal: Montreal (on Roy) 7-16-12—35; Minnesota (on Casey) 13-16-7—36.
N.Y. Islanders 0 2 2—4
St. Louis 2 1 2—5
Nylund (4), McDonough (18), Volek (15), Gozme (1); Brown 2 (15), Roberts (3), Hull 2 (64). Shots on goal: New York (on Joseph) 13-11-18—42; St. Louis (on Fitzpatrick) 8-6-7—21.

TENNIS

MEN'S TOURNAMENTS
In Memphis, Tennessee
Quarterfinals
Michael Stich, West Germany, def. Malivai Washington, U.S., 6-4, 7-6 (7-5); Gary Muller, U.S., def. Danie Visser, U.S., 7-5, 7-5; Wally Masur (6), Australia, def. Petr Korda (13), Czechoslovakia, 6-4, 7-5; Glenn Layendecker, U.S., def. Veli Paloheimo, Finland, 5-7, 7-6 (7-3), 6-4.
Semifinals
Stich def. Muller, 7-5, 7-6 (7-4); Masur def. Layendecker, 6-3, 6-2.

In Rotterdam
Quarterfinals
Jonas Svensson (7), Sweden, def. Thomas Hoegstedt, Sweden, 6-3, 6-7 (5-7), 7-5; Michael Tauson, Denmark, def. Magnus Gustafsson (5), Sweden, 6-3, 1-6, 7-6 (7-4); Jakob Hlasek (6), Switzerland, def. Alex Antonitsch, Austria, 7-5, 6-1; Brad Gilbert (1), U.S., def. Amos Mansdorf, Israel, 6-1, 7-6 (8-6).
Semifinals
Gilbert def. Tauson, 6-3, 6-3; Svensson def. Hlasek 6-4, 7-5.
Final
Gilbert def. Svensson 6-1, 6-3.

In Scottsdale, Arizona
Semifinals
Jim Courier, U.S., def. Andre Agassi, U.S., 7-6 (7-5), 6-0; Aaron Krickstein, U.S., def. Emilio Sanchez, Spain, 7-6 (7-5) 6-4; Tim Mayotte, U.S., def. Jim Grabb, U.S., 6-4, 6-1.

WOMEN'S TOURNAMENT
In Indian Wells, California
Quarterfinals
Helena Sukova (3), Czechoslovakia, def. Isabelle Demongeot, France, 6-4, 6-3; Katerina Maleeva (5), Bulgaria, def. Meredith McGrath, U.S., 6-1, 6-2; Martina Navratilova (10), U.S., def. Nathalie Herreman, France, 6-2, 6-1; Amy Frazier (11), U.S., def. Rosalyn Fairbank, U.S., 6-2, 6-3.
Semifinals
Navratilova def. Maleeva, 7-6 (7-2), 6-1; Sukova def. Frazier, 7-5, 6-4.

CRICKET

West Indies vs. England
One-Day Match
Saturday, in Kingston, Jamaica
England 214-8 (50 overs);
West Indies 216-7.
Australia vs. India
One-Day Match
Saturday in Christchurch, New Zealand
Australia 187-9 (50 overs);
India 149 (all out for 45 overs).
Australia won by 18 runs.
New Zealand vs. Australia
One-Day Match
Sunday, in Christchurch, New Zealand
Australia 244-8 (50 overs);
New Zealand 94 (all out for 25.2 overs)
Australia won by 150 runs

SOCCER

ITALIAN FIRST DIVISION
Atalanta 0, Bologna 0
Cesena 2, Bari 2
Fiorentina 0, Cremonese 0
Verona 2, Udinese 0
Lazio 2, Inter Milan 1
Lecce 0, AS Roma 2
AC Milan 2, Ascoli 1
Napoli 2, Genoa 1
Sampdoria 0, Juventus 0
Standings: A.C. Milan 42; Napoli 40; Sampdoria, Internazionale, Juventus 35; Roma 31; Atalanta 30; Bologna 28; Lazio 26; Bari 24; Genoa, Fiorentina, Lecce 22; Cesena, Udinese 20; Cremonese, Verona 19; Ascoli 16.

DUTCH FIRST DIVISION
Fortuna Sittard 3, Willem II Tilburg 0
Haarlem 0, FC Groningen 1
MVV Maastricht 1, Sparta Rotterdam 2
Vitesse Arnhem 1, FC Twente Enschede 2
Waalwijk RKC 0, Ajax 3
Volendam 1, NEC Nijmegen 0
FC Utrecht 0, Roda JC Kerkrade 1
Feyenoord 2, BVV Den Bosch 0
PSV Eindhoven 9, FC Den Haag 2
Standings: PSV Eindhoven 33, Ajax, Roda JC Kerkrade 32, Vitesse Arnhem 30, FC Twente Enschede 29, Volendam, Fortuna Sittard 28, FC Groningen, Waalwijk RKC 26, MVV Maastricht 23.

FRENCH FIRST DIVISION
Caen 1, Metz 0
Brest 2, Mulhouse 0
Monaco 2, Paris St.Germain 0
Cannes 3, Bordeaux 0
Montpellier 1, Nice 0
Sochaux 1, Nantes 3
Lille 0, Lyon 0
Toulon 1, Auxerre 0
Racing Paris 1, Toulouse 0
Standings: Bordeaux 41; Marseille 37; Monaco 34; Sochaux 32; Lyon, Paris SG 29; Toulouse 28; Nantes, Saint-Etienne, Brest, Caen 27; Auxerre, Lille, Metz, Cannes, Toulon 25; Montpellier 24; Mulhouse, RPT 22; Nice 21.

ENGLISH FIRST DIVISION
Coventry 2, Aston Villa 0
Charlton 0, Norwich 1
Liverpool 1, Millwall 0
Manchester United 4, Luton 1
Nottingham Forest 1, Manchester City 0
Queens Park Rangers 2, Arsenal 0
Sheffield Wednesday 1, Derby 0
Southampton 2, Chelsea 3
Tottenham 0, Crystal Palace 1
Wimbledon 3, Everton 1
Standings: Liverpool 53; Aston Villa 52; Nottingham Forest, Arsenal 43; Chelsea 42; Coventry 40; Southampton, Tottenham 39; Derby, Wimbledon, Everton, Norwich 38; Queen's Park Rangers 36; Sheffield Wednesday, Crystal Palace 33; Manchester United 31; Manchester City 28; Luton 26; Millwall 24; Charlton 22.

SPANISH FIRST DIVISION
Real Sociedad 4, Rayo Vallecano 1
Celta 2, Mallorca 2
Logrones 1, Castellon 0
Atletico de Madrid 1, Oviedo 1
Gijon 0, Osasuna 0
Valencia 4, Valladolid 3
Cadiz 1, Zaragoza 1
Malaga 0, Athletic de Bilbao 1
Sevilla 1, Real Madrid 2
Tenerife 1 Barcelona 4
Standings: Real Madrid 46; Atletico Madrid, Valencia 37; Barcelona 36; Real Sociedad 35; Sevilla 33; Osasuna 32; Logrones, Real Oviedo 30; Athletic Bilbao, Real Mallorca 29; Real Zaragoza 27; Sporting Gijon, Castellon 24; Tenerife 22; Malaga 20; Real Valladolid 19; Celta, Cadiz 17; Rayo Vallecano 12.

WEST GERMAN FIRST DIVISION
Kaiserslautern 1, Hamburg 3
Bayer Leverkusen 0, Cologne 2
Dortmund 3, Borussia Monchengladbach 0
Dusseldorf 0, Nuremberg 0
Stuttgart 1, Bochum 0
Bayer Uerdingen 1, Eintracht Frankfurt 1
Bayern Munich, 2 Waldhof Mannheim 0
St. Pauli 1, Karlsruhe 1
Werder Bremen 0, FC Homburg 0
Standings: Bayern Munich 32; Eintracht Frankfurt 31; Cologne 30; Bayer Leverkusen 29; VfB Stuttgart 27; Borussia Dortmund 24; Werder Bremen, Waldhof Mannheim, St. Pauli 22; Nuremberg, Homburg, Bayer Uerdingen, Karlsruhe 21; Bochum 20; Fortuna Dusseldorf 19; Borussia Monchengladbach, Kaiserslautern 16; FC Homburg 15.

GULF CUP
Qatar 4, Oman 2,
Iraq 2, United Arab Emirates 2
Egypt 1, Ivory Coast 3

TRANSACTIONS

BASEBALL
American League
BALTIMORE—Agreed to terms with Bill Ripken, infielder, and Curt Schilling, pitcher, on one-year contracts.
KANSAS CITY—Agreed to terms with Tom Gordon, Luis Aquino and Jose DeJesus, pitchers; Pat Tabler, designated hitter; and Mike Macfarlane, catcher, on one-year contracts.
MILWAUKEE—Agreed to terms with Billy Bates, infielder, on one-year contract. Signed Steve Monson and Alan Sadler, pitchers, to one-year contracts.
MINNESOTA—Signed Gene Larkin, first baseman-designated hitter, and Mark Guthrie and David West, pitchers, to one-year contracts. Agreed to terms with Kevin Tapani, pitcher, on one-year contract.
NEW YORK—Signed Bob Geren, catcher, to one-year contract. Agreed to terms with Brian Dorsett, catcher, on one-year contract.
SEATTLE—Signed Mike Schooler and Gene Harris, pitchers, and Mario Diaz, infielder, to one-year contracts.
TEXAS—Agreed to terms with Brad Arnsberg and Ramon Manon, pitchers, on one-year contracts. Renewed the contract of Mike Stanley, catcher.

National League
ATLANTA—Agreed to terms with Jeff Treadway, second baseman, on one-year contract.
CHICAGO—Agreed to terms with Mark Grace, first baseman; Steve Wilson and Jose Nunez, pitchers; Dwight Smith, Dave Clark and Gary Varsho, outfielders; Joe Girardi and Rick Wrona, catchers, and Lloyd McClendon, infielder, on one-year contracts. Agreed to terms with Les Lancaster, pitcher, on two-year contract. Named Phil Roof bullpen coach. Signed Dean Wilkins, pitcher, and Doug Dascenzo, outfielder, to one-year contracts.
CINCINNATI—Signed Jack Armstrong, Norm Charlton and Mike Roesler, pitchers; Terry McGriff and Joe Oliver, catchers; and Rolando Roomes, outfielder, to one-year contracts. Agreed to terms with Todd Benzinger, first baseman, and Scott Scudder, pitcher, on one-year contracts.
LOS ANGELES—Signed Lenny Harris, infielder; Braulio Castillo, outfielder; and Isidro Marquez, pitcher, to one-year contracts.
N.Y. METS—Agreed to terms with Kevin Brown, Jeff Innis, and Julio Machado, pitchers; Phil Lombardi, catcher; and Keith Miller, outfielder, on one-year contracts. Renewed the contract of Kevin Elster, shortstop. Signed Keith Hughes, outfielder.
SAN DIEGO—Signed Andy Benes, Greg Harris, Ricky Bones, Mike Dunne, Matt Maysey and Eric Nolte, pitchers; Roberto Alomar and Bip Roberts, infielders; and Shawn Abner, Jerald Clark, Alex Cole, Thomas Howard and Darrin Jackson, outfielders, to one-year contracts.

BASKETBALL
National Basketball Association
NBA—Fined Terry Teagle, Golden State guard, $3,500; Frank Brickowski, San Antonio forward, $1,000; and Mike Smrek, Golden State center, $500 for altercation in game Feb. 28.
MIAMI HEAT—Waived Pat Cummings, forward.

FOOTBALL
National Football League
ATLANTA—Signed Ronnie Lee, offensive lineman.
DALLAS—Signed Dennis McKinnon, Rod Harris, Mike Williams and Jarrod Delaney, wide receivers; Keith Jones, Tommy Agee, Timmy Smith and Ervin Parris, running backs; Tony Slaton, Greg Johnson and Dave Franks, guards; Terrence Cooks, Vinson Smith, and Walter Johnson, linebackers; Antonio Gibson, James Washington and Greg Lee, defensive backs; Kari Burnice, offensive tackle; Corris Ervin, defensive back; Steve Johnson and Paul Jokisch, tight ends.

Mozart, Beethoven and the Barrel Organ

International Herald Tribune

MARY BLUME

PARIS — A few months ago, Pierre Charial gave a concert called "From Mozart to Xenakis" in the Studio of the Opéra Bastille. There has been criticism of the acoustics of the Bastille, but Charial says that for his instrument they were perfect. His instrument is the barrel organ.

Charial has been a barrel organist since 1978 and while he is a soft-spoken, quite modest man, he proudly claims to be the world's only composer-transcriber-interpreter of the instrument known in French as the *orgue mecanique* or *orgue de barbarie*. The interpreter part seems easiest since it just involves turning a crank.

Ph. Chelle

Pierre Charial: "You have to find a color to combat the fact that there is only one sound."

"You can learn immediately, if you have the ear," Charial says. His right shoulder is slightly higher than his left and he says he has the arm of a tennis player. "The crank is an important way of making the music expressive, you can slow it up or accelerate. If it is played well, the listener forgets that the music is mechanical. Music that is mechanical is not beautiful."

Leaping lightly to his feet, Charial cranked out a Mozart piece (K616), one of several commissioned by a Viennese count shortly before the composer's death. Although written for a mechanical organ, the works are usually played on a church organ, Charial says, which produces a big sound quite different from the intimate chamber quality that Mozart intended.

Charial also plays pieces for the mechanical organ written by C.P.E. Bach, Handel and Haydn. But he does not confine himself to Baroque and Classical music. Stravinsky, Bartok and John Cage are also in his repertoire, as well as jazz pieces by Chick Corea and a work by Mike Manieri called "Oops."

He thinks it a pity that his instrument has not been given its due in music history. After all, the widow of Mozart's Viennese patron became the inspiration of Beethoven, who through her may have heard Mozart's music for the instrument. "So Beethoven and Mozart met through the barrel organ!" exclaims Charial, moved.

When he is not concertizing, Charial works out of a ground-floor studio on Rue Léon Frot in the 11th Arrondissément of Paris. With his partner, Françoise Terrioux, he earns his living making perforated scores for street musicians. Accordion-folded and thick as bibles, these *cartons perforés* bear such labels as "Irma la Douce," "Padam, Padam," the Beatles' "When I'm Sixty-Four" and the all-time favorite, "Sous les Ponts de Paris." Charial has even sold "Sous les Ponts de Paris" to Japan.

Charial played in the streets, too, in the beginning. "We did it for fun," says Françoise Terrioux. "When we played jazz instead of 'Sous les Ponts de Paris' the crowd would disappear."

Even today, Charial says, there are barrel organists who care more about nostalgia than sound and it drives him crazy. "I had someone who came in to try out some *cartons* on an instrument that was out of tune. I offered to tune it and he said, No I prefer it this way, it's more rustic.

"Often, street musicians and collectors have this false viewpoint that it should be a little worn out and shabby, with an ugly tone. We fight for people to have well-tuned instruments and *cartons* without false notes so they can play well with music that is pleasant to hear."

Charial's splendid instrument, which he tunes every month and keeps dry, was made in Saint-Etienne by André Odin, an arms engraver who became interested in the barrel organ about 15 years ago, at the same time as Charial although they did not know each other then.

"I was making *cartons perforés* without owning a barrel organ and André Odin was making barrel organs without *cartons perforés*. To make an instrument without having any music is pretty crazy but no crazier than making music without an instrument. There were no clients at the time but we each thought we should do it."

Until the phonograph made the search redundant, people spent nearly 600 years studying ways to reproduce music mechanically. The *carton perforé*, says Charial, was invented in France around the time of the Revolution to make mechanical figures, or *automates*, move and then was adapted by Jacquard for the looms of Lyon. From a salon instrument in the 18th century, the mechanical organ with perforated sheet music became a popular instrument of the streets.

"In the 19th century the mechanical organ became an ambassador for opera and many tunes from operas were transcribed to make them known. The barrel organ had a missionary role and the role of a musical memory, which is important and which it lost with radio and the phonograph. By the 1930s in France it had almost disappeared," Charial says.

Played in the streets, the barrel organ often transmitted anti-government messages, one reason why Mussolini banned it, Charial says. The other reason was that he didn't think that organ grinders and their monkeys were good symbols of the new regime.

Charial studied music at the Lyon conservatory, specializing in piano, composition and bassoon. Before making his *cartons* he plays the piece on the piano, then writes a transcription and punches it out. He likes to think that a Charial *carton*, even if only of "Sous les Ponts de Paris," is easily recognizable for its interpretation: "One needs time for the interpretation to ripen. Then, like a painter, you must know when to stop."

The art in transcribing for the barrel organ is to overcome the fact that the instrument produces basically the same sound all the time: "You have to find a color to combat the fact that there is only one sound."

Another drawback is that the instrument has only 42 notes, less than half the piano keyboard. "It is not expressive," Charial says. "If it gives the impression of nuance, it is only an impression. It's like the harpsichord — if you depress the key, the sound always has the same power, unlike the piano."

The possibilities of the barrel organ are limitless, Charial says, although he has to admit is not suited to all music. "Piano music doesn't work, I tried Satie and it was a catastrophe. Violin music is also difficult. The harpsichord is fine. The instrument's rhythmic precision makes it suitable for Baroque and contemporary music, less so for 19th century."

Charial is preparing a program to commemorate the 200th anniversary of Mozart's death and has two concerts in May of contemporary music with piano accompaniment. He is also preparing a contemporary work for barrel organ and soprano and is glowingly proud that the French composer Marius Constant has written a concerto for him to crank out.

"It is the first time in the history of music that a concerto has been written for the barrel organ," Charial says. "A concerto is the consecration of an instrument."

LANGUAGE

Tracking Down the Wetlands Fox

By William Safire

WASHINGTON — Francis Marion, an American general in the Revolutionary War, bedeviled the British with his surprise attacks from the marshy areas of South Carolina. The short, sickly-looking fellow was among our earliest partisan fighters, pioneering guerrilla tactics against regular troops in skirmishes at Tearcoat Swamp and Halfway Swamp. Because he and his small force would strike and then disappear into seemingly impenetrable bogs, through brambles that tore the red coats of his pursuers, the elusive Marion was given the sobriquet "the Swamp Fox."

Today he would be called the *wetlands fox*. *Swamp* is out; this soggy companion of ours for more than three centuries, perhaps from the Greek *somphos*, "spongy," is considered unscientific and slightly pejorative; the new word put forward by environmentalists and galoshes-equipped journalists is *wetlands*.

The Army Corps of Engineers, in chorus with the Environmental Protection Agency, begins to define *wetlands* as "those areas that are inundated or saturated by surface or ground water." But that area must be capable of supporting "vegetation typically adapted for life in saturated soil conditions," which means plants ranging from cattails and bulrushes to willows and mangroves, which can grow at least part of the time in ground that lacks oxygen. These wetlands include *swamps, marshes, wet meadows, wet tundra* and *bogs*.

As a longtime muckraker, I have been trying to unearth the moment when all this muck was upgraded in our vocabulary. Although *wet land*, as two words and even one word, has been kicking around for centuries, the first citation in the plural is in The New Scientist of June 17, 1965: *"Wetlands* are defined to include marshes, bogs, swamps and any still water less than six meters deep."

Twenty years later, the plural word was being construed as both singular and plural: *a wetlands is* is just as accepted as *the wetlands are*. Last month, a New York Times headline read "Over EPA Protest, White House Alters Wetland Agreement" (using the plural *wetlands* in the copy), while The Washington Post preferred the plural modifier and a zippier style: "Wetlands Agreement Watered Down."

"Twenty years ago," says Jon Kusler of the Association of State Wetland [singular] Managers, "almost all discussion of wetlands involved waterfalls and fisheries. Now there are concerns for water quality, flood storage, food-chain support and especially birding."

How do we wade into the differentiation that will help us make a splash in synonymy? A *marsh*, a word that may share a root with *marine*, is wet land characterized by nonwoody or herbaceous plants like cattails and similar tall grasses; these include an herb of the mallow family once used in preparing a confection called the *marshmallow*. (Hardly anybody uses real marshmallow root anymore; only a few old swamp foxes remember the taste.) A *mire*, from the Old Norse, is synonymous with *marsh*, but is used more in Europe than in the United States.

Bog, from the Gaelic word for "soft," is spongy ground that is acidic; that's where gardeners turn for peat moss. The British like the synonyms *heath* and *moor*. A *swamp* is land permanently or periodically saturated by water but featuring trees. The term subsumes marshes and bogs, but is not as moist-embracing as *wetlands*, which spills over to bottomland forests, pocosins, pine savannas and lands that the engineers say "are not easily recognized, often because they are dry during part of the year or 'they just don't look very wet' from the roadside."

What's the opposite of *wetlands*? No, not *drylands* — at the EPA, it's *uplands*.

In a related terminological development, the controversy over the term *ground water* continues. The water in the ground that supplies wells and springs is written as two words in Webster's New World Dictionary, and as one word in Merriam-Webster's Ninth New Collegiate (because, says its editor, Fred Mish, "the preponderance of citational evidence shows it as one word").

Joe D. Winkle, in 1988 a deputy regional administrator of EPA based in Dallas, sent a memo with 12 pages of attachments to his colleagues in which he complained that "we are seeing numerous documents presenting *groundwater* as *ground-water* or *ground water*," and requested that the two-word style be adopted. This was sent to me by a whistle-blower within the agency with a disgusted notation: "Our tax dollars at work!"

Winkle style has been adopted by most bureaucrats at EPA, but the single word appears in the agency's news releases. "*Ground water*, two words, is what is used in the name of the Office of Ground Water Protection," says John Kasper, press aide to chief William K. Reilly, "but the Ninth New Collegiate uses one word. That's the style I prefer to use in press releases." So the ground rule is to use *groundwater* outside, *ground water* inside.

Bogged down in details? *Mired* by memos? *Swamped* by work? Try explaining to your with-it boss you've been *wetlanded*.

□

Professor Glenn T. Trewartha of the University of Wisconsin wrote in 1937 about "the so-called greenhouse effect of the atmosphere." He was explaining why he thought the earth was growing warmer, and that is the first use of *greenhouse effect* cited in the Oxford English Dictionary Supplement. But note that "so-called," which means that the first use of the phrase came earlier; a scientist who wants to coin a phrase says "which I call," never "so-called."

Where, then, did the phrase originate? Responding to that query in this space, John B. Wells and Kris Rasmussen of Bruce Co. in Washington, D.C., note that an earlier term *for greenhouse is hothouse*. In 1930, the meteorologist W.G. Kendrew wrote a monograph using this simile: "The atmosphere may be likened . . . to the glass roof and sides of a hothouse. The glass allows the light rays of the sun to enter, but it obstructs the outward passage of the dark heat, into which the light rays are converted, from the inside that has been warmed by the sunshine."

As I get it, shortwave solar radiation penetrates the atmosphere to the earth's surface, where it is transformed into longwaves readily absorbed by carbon dioxide and other gases; that supposedly traps the heat and causes the earth's climate to warm. The theory was first expounded by the physicist John Tyndall in 1861, but he did not clothe it in the catchy *greenhouse* or *hothouse* trope.

The state of the coinage search, then, is: theory by Tyndall, metaphor of the hothouse by Kendrew, change to the greenhouse synonym by Trewartha.

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